k in Topsfield

A strong link in Topsfield

The work never ends at Jack Armitage's AIDS organization

BOSTON GLOBE 11/7/89

By Kay Longcope
GLOBE STAFF

TOPSFIELD – To Jack Armitage, founder-director of Massachusetts' only suburban AIDS organization, the work is nonstop, "all-consuming."

A phone in the home office – a renovated chicken coop at the end of Meredith Farm's alfalfa-green fields – rings constantly.

Armitage, a gay man who has lived in Topsfield for 15 years, repeatedly responds: "Strongest Link AIDS Service Inc. How may I help you?"

Some callers, angry and afraid, discuss the shock of having tested positive for the HIV virus or of a diagnosis of full-blown AIDS. They seek information, as well as comfort and solace.

Armitage, 36, tells them of weekly support group meetings held Monday evenings at Topsfield's Trinity Episcopal Church. Since September 1988, when Strongest Link was formed, attendance has grown from a few to an average now of about 30.

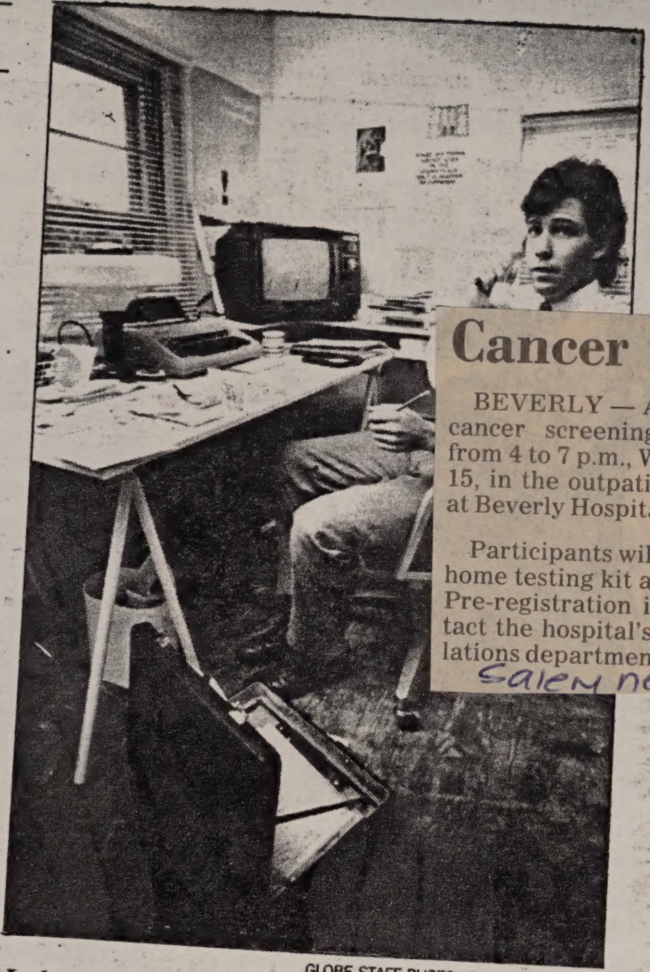
"It's gotten so large that we are about to split the group," Armitage says in an interview.

Other callers include the grief-stricken, bereaved at the loss of friends, lovers, offspring, spouses. Armitage suggests they contact a North Shore bereavement group for survivors. It meets twice each month, also at Trinity Episcopal.

Callers ask outreach

Over the phone come pleas for expanded AIDS community outreach education and information programs. "We're swamped with them," says Armitage.

AIDS, Page 22



GLOBE STAFF PHOTO / THOMAS LANDERS

Jack Armitage, executive director of the Strongest Link AIDS Service Inc., at his office in his home.

-positive or have AIDS.
ose are IV-drug related,
nt of our client load is IV-
ed," says Armitage. "At
of those are women. At
ercent of our client base
n living with AIDS. With
ption, they are straight
Thirty-three clients are gay

r says Armitage's agency
off a lot, tryin
y in a big, sprea
aybe too much.
Armitage, who
the mid-'80s w
atients at the
Medical Cent

alled Strohecker's taking of a
ng sabbatical from his busi-
o help raise funds to fight
"best act of corporate char-

the time, Strohecker said that
es to be remembered as a
ht, old, white businessman
to spread the word that this is
gay problem, this is not an IV
ser problem. It's your prob-
d my problem."
mitage says it's people like
that who have made possible the continuation of Strongest Link and allowed it to expand services as needs arise.

In Topsfield, "we've been able to exist without controversy," Armitage says. 'I've never seen Topsfield turn anyone away. After a year of existence, we're pretty comprehensive, and I love that.

"We're trying to do our own thing on the North Shore because

not include per
health care in Boston or outside the North Shore area. Residents of one area often go elsewhere for HIV-testing, he says, because they do not want to chance being recognized close to home.

The people served by Strongest Link run the gamut: male and female, straight and gay, intravenous drug users and partners – knowing or unknowing – of IV drug users. Increasingly, the list of the stricken in-

---

Cancer test set

BEVERLY — A free colorectal cancer screening will be held from 4 to 7 p.m., Wednesday, Nov. 15, in the outpatient department at Beverly Hospital.

Participants will receive a take-home testing kit and instructions. Pre-registration is advised. Contact the hospital's community relations department.

Salem news 11/7

CAREGIVERS WEEK: As part of its celebration of National Family Caregivers Week, Beverly Hospital will sponsor its second annual Caregiving Fair on Nov. 28, at 2-6 p.m. in the hospital Lobby and Lecture Hall.

This fair responds to the needs and questions of families who take care of older adults, and provides information on how to arrange home health care, where to find answers about insurance and benefits, how to locate respite or adult day care, and what to do about stress. Representatives from many community agencies will be available at the Caregiving Fair to answer questions and provide information and referral. For more information, call Beverly Hospital TIPS office, at 922-3000, Ext. 2315.

Bev Times 11/9

Revenue Advisory Board lowers revenue projections

11/7/89 Bev Times

Members warn drop in tax collections may force layoffs of personnel

BOSTON (AP) – The state's Revenue Advisory Board dropped its estimate of state tax collections by $220 million, bringing the projected state deficit to more than $720 million, and one board member predicted layoffs in the state would drag the take from personal income taxes even lower.

The board's action came the same day the House Ways and Means Committee came out with a $401.4 million package of cuts and non-tax revenues aimed at closing what was thought until Monday morning to be a $500 million budget gap.

The board's numbers are not official estimates, which are made by the Executive Office of Administration and Finance to Gov. Michael S. Dukakis.

But last month, when the board projected a deficit $171 million higher than the administration's figures, Administration and Finance Secretary L. Edward Lashman said it would be prudent to prepare for the worst.

The board's latest move places its estimated $391.7 million below the administration's Aug. 15 official estimates.

The board, a panel of independent lawyers, bankers and economists who advise the state on tax collection, predicted that for the year that ends June 30 sales taxes would be $100 million less than earlier projections.

The board also projected corporate taxes would be $50 million less and personal incomes taxes would be $50 million less, while banking taxes would be $15 million less and revenue from deeds would be $5 million less than expected.

The board predicted total tax collections of $8.875 billion for the fiscal year that ends June 30, 1990, a growth of only 0.7 percent, or $58.3 million, over last year's collections of $8.8167 billion.

Last week, state Revenue Commissioner Stephen Kidder had warned the tax picture could be worse than the board's October projections.

One board member, Boston attorney Robert Capeless, was even more pessimistic. Capeless said personal income tax collections may drop as much as $250 million from the previous estimates instead of the $50 million the board projected.

The board's numbers are not official estimates, which are made by the Executive Office of Administration and Finance to Gov. Michael S. Dukakis.

"I think a warning has to go out that this could be a disastrous situation," Capeless said.

Capeless projected the personal income tax picture would worsen because of the widespread layoffs that have already started in Massachusetts businesses.

"I think you are in terrible danger of a very, very big shortfall," Capeless said.

Collections through income tax withholdings are growing slowly, and the final outcome on how much the income tax will next will depend on the level of refunds the state must pay, board members said.

The board, while declining to adopt Capeless' pessimistic view in its figures, agreed to include in its report a warning that the take from the income tax could fall further.

Board Chairman James Bailey, an economic consultant, said the board's latest projection means essentially flat growth in tax collections.

Bailey said that is the lowest growth rate for the state since the early to mid 1970s, when Massachusetts faced a serious downturn.

Robert Zevin, a banker, said Massachusetts is in the middle of a downturn now that eventually will hit the whole country.

"It is going to happen for the whole country between now and the mid-90s," Zevin said.

Salem News 11/7/89

Growing state deficit outruns budget cuts

A News staff report

BOSTON — The state's fiscal nightmare worsened Monday, as official estimates of the budget deficit grew by more than $200 million even as a legislative panel announced plans to close a smaller gap.

The state's Revenue Advisory Board added $220 million to its earlier estimate of a $500 million budget deficit when it scaled down its prediction of how much money the state would take in for the fiscal year that began last July 1.

The new estimates came just hours before the House Ways and Means Committee unveiled a plan to reduce the deficit by $401 million through a combination of savings and non-tax revenues. The plan, approved by the committee, goes to the full House Wednesday.

Among its provisions are a reduction of 5,000 state employees, cuts in administrative accounts, a 10 percent reduction in state consultants, and consolidation of the Commonwealth's four police forces. The plan exempts cuts in services for the elderly, mentally ill and other needy populations.

Committee chairman Richard A. Voke, D-Chelsea, outlining the plan shortly before the panel's vote, acknowledged it fell short by $300 million of what was needed to close the budget gap.

But Voke said the plan represented the committee's best effort to eliminate waste in state government. While stoping short of embracing a tax hike, Voke said it would be difficult to find further savings without cutting essential programs.

Ways and Means plan

$219 million in cuts and savings, including:

- Reduce the state's work force by 5,000 jobs (2,200 of which have previously been eliminated).
- Reduce funding for state cars.
- Cap the number of press agents and legislative liaisons.
- Cut funding in all administrative accounts, including the legislature, constitutional offices and the judiciary.
- Reduce by 10 percent spending on consultants.
- Consolidate administration of the Commonwealth's four police forces under the Department of Public Safety.

122 million in new non-tax revenues, including:

- Mandate the return of unclaimed bottle deposits as of July 1, 1988.

DEFICIT
(Continued on Page 6)

study.

more

FICIT

(Continued from Page 1)

ou really can't downsize ings much further ... (The) cuts people have been asking for in general government, are now in front of us."

But there were mixed views among committee members about whether the Voke plan went far enough in rooting out waste.

"I happen to feel there's more money available ... I think we have to look longer and harder at it," said Rep. J. Michael Ruane, D-Salem.

Echoing that point was no-tax advocate Barbara C. Anderson of Marblehead. While pleased the plan did not target the "poor and the needy," Anderson said it was "missing one key element — and that is dealing with the unions and the benefits they've accrued over the years."

"If they aren't going to deal with double-dipping on health care benefits, and they're not going to make unions pay part of their health care costs ... then they aren't going to go far enough," she said.

Richard Manley, president of the Massachusetts Taxpayers' Foundation, was somewhat less critical.

"What he's done is the right thing to do," Manley said of Voke. "The question is whether or not it's enough. I don't think it is."

But even some Republicans on the committee were pleased with Voke's initiative.

"I think it's the most significant move I've seen made by anyone in the legislature or the administration to start addressing the runaway state spending problem," said Rep. Forrester A. "Tim" Clark, R-Hamilton. "These are sincere and deep cuts."

"The package addresses some of the public's concerns," said Rep. Vincent J. Lozzi, D-Lynn, who said he was especially pleased at proposed legislative controls over the spending of the state's authorities. "We've got to let them know they're part of state government," Lozzi said of those agencies.

Ruane said he expected lively debate on the plan once it reaches the House floor, with members proposing additional savings or arguing against some of the cuts.

The plan approved Tuesday omits some of the proposals discussed by the House leadership last week, including the elimination of cabinet agencies such as the executive offices of Consumer Affairs and Elder Affairs. Voke said the changes required more study.

Pollution Lea
sought by his office of a f
board's approval of evac
plans for New Hampshire
near the plant.

He said Monday that the
based on "the kind of a doc
lawyers dream about" —
script of the Nuclear Reg
Commission's July 23, 198
cussion and vote on its eme
preparedness rule.

Enviro

BOSTON (AP) — The sta
send a message to pollutо
its commitment to the en
ment is waning if it adopt
posed cuts in Environment
fairs, environmental adv
said.

The Statehouse news c
ence was held just afte
House Ways and Means Co
tee announced a $401.4 r
package of cuts and non-ta
nues Monday to deal with t
timated $720 million budge
cit for fiscal 1990.

The package included

SEARS

CORRECTIO

Report rips cond

Health board member finds

A News staff report

BOXFORD — Board of Health member Dr. Richard F. Taylor sharply criticized the condition of the landfill and Department of Public Works Superintendent Thomas F. Greene in a report submitted to selectmen Monday.

Taylor charged: "The general state and operation of the landfill has degraded significantly over the past eight to 10 months under DPW management. This will continue under current management."

One problem, Taylor said, was that operators are using too much fill to cover trash at the dump. Taylor brought photos of the dump to the selectmen's meeting showing some areas he said had three feet of cover when only six inches is required.

Greene denied the charge, saying at most there was one foot of cover. Taylor said he will go to the landfill with a shovel and dig to see how deep it is.

Taylor also said that there were areas of open trash, but Bruce Haskel of SEA Consultants said he did not see a problem when he inspected the landfill.

SEA Consultants was
years ago to help manag

Taylor said he woul
instatement of Clerk o
liason between the D
Health.

This position was he
man until November 1
car accident and could
has remained vacant an
assumed by the DPW.

Selectman Audrey
premature to hire a nev

"We don't have to cr
we can work together
said she went to the
meeting and Taylor d
any problems he had wi

Selectman Chairma
said better communica
Taylor and the Selectm

"Unfortunately, he

BRIEFLY

---

feel is
e th
adiu

Gen
ly ap
NRC'
ensin
allow
of the
ation
vas ir

Con
sai
utio
urce
ngs.
iron
serv

rges
sed c
Publi
, ha
s.
tar
n th

s wa
at th

Daily Item
11/6

AtlantiCares reverse roles as of March 19

By TOM DALTON
Item Staff

LYNN — The city's "new" hospital is scheduled to open its doors March 19.

AtlantiCare Medical Center will admit all medical-surgical patients at its Lynnfield Street hospital — the former Union Hospital — beginning the third Monday in March, according to a tentative schedule announced today.

"It looks now like March 19 is the date we hope to turn the keys over," said AtlantiCare President Andrew J. Riddell.

By that time, the hospital hopes to sell $36 million in bonds to finance a major renovation project. Among areas at the former Union Hospital slated for renovations or expansion are the emergency room, the cardiac care unit, and the intensive care unit.

When the work is done, AtlantiCare, in effect, will have reversed the roles of the city's two hospitals. The former Lynn Hospital on Boston Street, where medical-surgical patients are now admitted, will become a center for outpatients, clinics, and a mental health unit.

The goal of AtlantiCare's conversion plan, which received state approval several months ago, is to maintain basic hospital services while reducing the number of beds and cutting costs. AtlantiCare has taken these steps to end years of deficits.

To get the former Union Hospital ready for the transition will require several million dollars in renovations. Already demolition has begun in laboratories and other areas that will be expanded or altered.

Riddell said the hospital is waiting for buiding permits before beginning renovations. He is hopeful, however, that all of the repair work will be completed this winter so that the hospital can open March 19.

The conversion timetable also calls for the expanded mental health unit on Boston Street to be completed by August and for all other renovations to be done by October 1990.

The hospital has set up task forces to work on several potential problems areas such as the increased parking and traffic on Lynnfield Street that will result from the hosital switch. Two community members have been named to the task forces, Riddell said.

"We're going to have (regular) meetings with the neighborhood up there," said Riddell.

Plans are also in progress for a shuttle service between the two medical facilities for employees and patients.

In related news, potential investors in the soon-to-be-floated AtlantiCare bonds are scheduled to visit the hospital the week of Nov. 13. AtlantiCare hopes to sell $36 million in bonds which will be used to pay for the renovation work and to refinance current debt.

The $36 million figure is about $8 million more than the hospital originally intended to borrow. The bonds will be sold through First Boston Corp., an investment banking firm.

Due to the fact he's working on a tight timetable, Riddell said he decided to go ahead with renovations before the bonds were sold.

PEOPLE

Democrats can dance

The Peabody Democratic Committee held its 10th annual dance at the A.O.H. Hall in Peabody on Saturday night. Among those in attendance were, from left, U.S. Rep. Nicholas Mavroules, U.S. Sen. John Kerry, committee official Ruth Barrell, and Mayor Peter Torigian.

Item photo: Walter Hoey

Rolling right along...

PEABODY — Members of the Council on Aging bowling league who bowled over 300 triples this week were Ed Garniewicz, John Bourke, Ernie Spierel, Larry Turner, Jane Melody, Joe Sobutka, and Dick Mehaffey.

Those bowling over 290 were Jack Pashoogian, Herm Steeves, Roy Sorell, Ruth Hibbard, and Bert Allard.

Bowling strings over 100 were Jim Coady, Dottie Brosque, Joe Sousa, Art Hallen, Alvin Sousa and Bob McCulley.

The pool winner was Larry Turner.

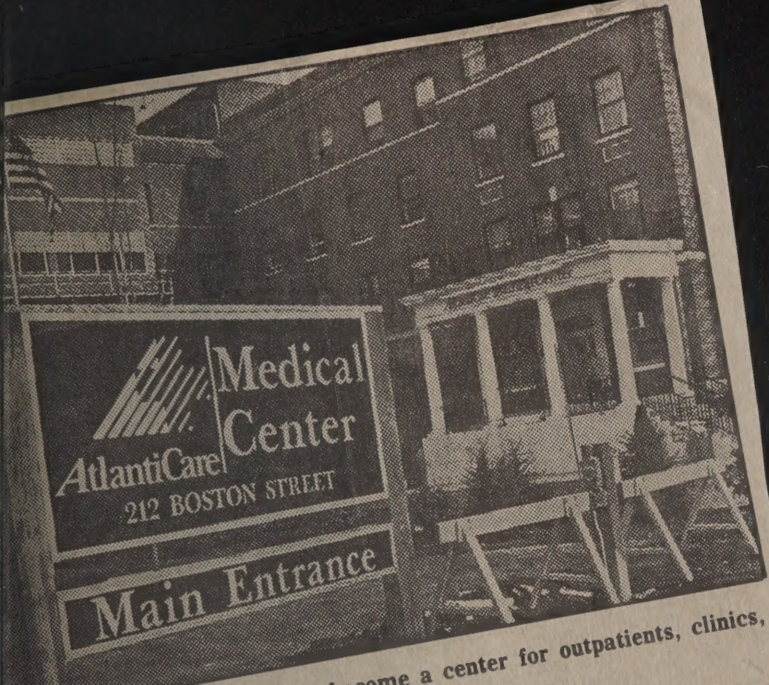
ELSEWHERE IN THE ITEM

Now hear this

Boston Acoustics, the Peabody manufacturer of stereo loudspeakers, has made Forbes' magazine's list of the 200 best-run small businesses in America for the third straight year. See the story today in Business, Page 32.

Big O, big D

The football Tanners took it to Cambridge on Saturday, getting spectacular performances from both offense and defense to win 27-12. Get the details today in Sports, Page 29.


AtlantiCare
Medical Center
212 BOSTON STREET
Main Entrance

he Boston Street facility will become a center for outpatients, clinics, nd mental health care.

AtlantiCare
Medical Center
500 LYNNFIELD STREET
Main Entrance

Item file photos

AtlantiCare's Lynnfield Street facility will admit all medical-surgical patients.

Straight Talk About Electrolysis

Electrolysis is the only permanent treatment for the removal of unwanted hair.

National Board Certification, to which the consumer has looked for years in all health-related fields, now exists in the field of electrology.

What this means, is that the Certified Professional Electrologist (CPE) has voluntarily placed his or her knowledge and skills against national standards of excellence and has equalled or exceeded the national norms.

A CPE will proudly display this seal. It is your assurance of professionalism.

- CERTIFIED PROFESSIONAL ELECTROLOGIST
- EXECUTIVE BOARD MEMBER, MASS. ASSOC. ELECTROLOGISTS
- SPECIALIZING IN THREE RECOGNIZED METHODS OF PERMANENT HAIR REMOVAL
- REQUEST DETAILED INFORMATION PACKET WHEN YOU CALL FOR INITIAL CONSULTATION

WYOMA SQUARE
444 BROADWAY
LYNN, MA

CHARLOTTE BOSCO
592-9099

GOODWIN ROTARY
2 WITHAM STREET
LYNNFIELD, MA

Zeller INSURANCE

WE'LL INSURE YOU

EVEN if you've been cancelled

• Auto • Home • Business
370 Lynnway Harbor Mall
595-2071

Jerry Langlais

"The Best Magic is Comedy Magic"

LOTS OF AUDIENCE PARTICIPATION

MAGICIAN
(617) 581-5273

• Schools
• Birthday Parties
• Stage Shows

"Everybody Likes to Laugh"

ADVERTISE

Your Holiday Gift Ideas

in the

Daily Evening Item

CLASSIFIED

Big O, big D

The football Tanners took it to Cambridge on Saturday, getting spectacular performances from both offense and defense to win 27-12. Get the details today in Sports, Page 29.

House panel OKs $401m budget plan

Bev Times 11/7/89

By **DANIEL BEEGAN**
Associated Press

BOSTON – The House Ways and Means Committee has approved a $401 million package to try to balance the state's budget that the House will debate Wednesday, but it is still $300 million short of erasing the red ink.

The plan would have come close to balancing the the $12 billion state budget if it had not been for a dramatic drop Monday in estimated state tax collections for the bookkeeping year that began July 1.

Less than 90 minutes before the Ways and Means Committee met, the state Revenue Advisory Board, an independent panel that advises the state on tax collections, dropped its estimate of collections by $220 million.

Related story, page B4

Until then, the generally accepted deficit figure, counting drops in tax collections and overspending in state accounts, was $500 million.

The board's action raised that to $720 million or more, and one board member, attorney Robert Capeless, said the situation could worsen significantly if state personal income tax collections continued to fall off.

Ways and Means Chairman Richard Voke, D-Chelsea, said the choices will be taxes or elimination of entire programs if the Revenue Advisory Board's estimate is correct.

"You will have to do away with programs or raise revenues," Voke said, pointing out the Legislature trimmed $600 million in spending growth from the governor's original budget plan, and the governor then vetoed $491 million in July from the budget the Legislature passed.

Later in the day, Gov. Michael S. Dukakis also said new taxes will be needed, and praised Voke's committee for its work.

"I think we are making good progress," Dukakis said.

Dukakis said he still needs to study some specifics, but much of the plan included proposals he had made, or targets the administration plans to meet.

"It's clear that we are still going to have a gap and that is going to have to be filled with new rev-

Budget, page A10

Balancing the budget, at a glance

BOSTON (AP) – Here, at a glance, are some highlights of the House Ways and Means Committee budget proposal that would cut state spending by $130.4 million, saving $88.7 million, raise $122.3 million in non-tax revenues and improve non-tax revenue collections by $60 million:

- Mandates Gov. Michael S. Dukakis to reduce the state's work force as of Jan. 31, 1990, by 5,000, from the level which existed July 1, 1988.
- Reduces funding for state cars by 34 percent.
- Caps the number of press secretaries at one for each of the 11 cabinet agencies, one of which, energy, already is slated for elimination by Dukakis, and caps state-agency lobbyists at one for each state department. Each cabinet agency includes one or more departments.
- Reduces spending in all administrative accounts, including the Legislature, elected officials and the judiciary.
- Reduces spending for consultants by 10 percent or $10 million.
- Consolidates the administration and operations of

Package, page A10

ckage depends on cuts

ed from page 1

e's four police forces – state, registry, capitol MDC, under the commissioner of public safety.

- Leave untouched various human services programs, including home care for the elderly, direct services in the departments of mental health, mental retardation, public health and social services, programs for the blind, deaf and handicapped, day care, social workers, children's programs, AIDS funding and public health hospitals and Soldiers' Homes.
- Overhauls Medicaid by increasing cost controls and changing some benefits for a savings of $37.7 million this year and $102.5 million next year.
- Caps emergency welfare assistance spending for a savings of $29 million.
- Eliminates the state's share of the free care-bad debt pool for hospitals for a $12 million safings.
- Gives the Legislature the authority to lower, but not raise, the operating budgets of independent state authorities.

Non-tax revenues

- Mandates the return of unclaimed bottle and can deposits, retroactive to July 1, 1988, for $46 million.
- Requires state colleges and universities' trust funds to pay fringe benefits for employees paid from those trust funds, for $20 million.
- Requires independent state authorities to repay past loans, $19 million.
- Increases tuition for out-of-staters at state colleges and universities, $9 million.
- Removes restrictions on Sunday opening hours for retail stores and applies the same liberalization to Memorial Day, July 4th, Labor Day and Columbus Day, $7 million.
- Increases compliance with corporate filing requirements and allow the secretary of state to bill delinquent corporations, $5 million.
- Enables the Revenue Department to enforce current repair plate regulations, $5 million.
- A football lottery would raise an estimated $50 million next fiscal year and off-track betting in Chicopee would raise $6 million next year.

Local aid

- Allows quarterly billing of property taxes, instead of the current twice-yearly billing, $47 million.
- Changes assessment date for new construction from Jan. 1 to June 30 for an estimated $62 million in new revenue.
- Directs cities and towns to obtain financing for school building assistance programs from the Massachusetts Industrial Financing Authority to achieve lower interest rates.

• Budget package approved

Continued from page 1

enue," Dukakis said.

The Ways and Means plan includes $130.4 million in cuts, $88.7 million in savings, $122.3 million in non-tax revenues, some of which are earmarked for cities and towns, and $60 million in improved revenue collections.

Voke said further cuts would hit programs for the needy, key environmental protection programs or other important state services.

But House Republican Leader Steven Pierce, R-Westfield, said the gap could be closed without new taxes, and Barbara Anderson, head of Citizens for Limited Taxation, also called for further spending cuts.

Richard Manley, president of the Massachusetts Taxpayers Foundation, also called for further cuts, but he would not rule out the need for taxes later.

Among the major cuts is a specific requirement that Dukakis meet his goal of reducing the state workforce by 5,000 over July 1, 1988, levels no later than Jan. 31, a goal Dukakis said he would reach.

The committee plan also requires a 34 percent cutback in state cars, a limit of one press secretary for each cabinet-level agency and no more than one legislative lobbyist for each state department. Those cuts are deeper than Dukakis had proposed in those areas.

The plan also would place the four state police departments, the state, capitol, registry and Metropolitan District Commission police, under the authority of the commissioner of public safety, a move the governor has been studying, but has not proposed.

The plan also calls for the cancellation of all outside consultant contracts. Voke said the consultants would be rehired on a case-by-case basis with a 10 percent, or $10 million, cut mandated, a level Dukakis said the administration plans to exceed.

The plan, however, avoided some of the more controversial cuts that surfaced last week as House Democratic leaders met to discuss the budget gap. Those proposals included the consolidation of cabinet level agencies dealing with consumer affairs, elder affairs, labor, the environment, public safety and community development.

It also did not include a proposal to eliminate the Board of Regents of Higher Education.

The plan would reduce the Legislature's spending by $1 million, Voke said.

It would also give the Legislature the power to reduce, but not increase, the budgets of independent state authorities.

In the revenue area, the plan would seize unclaimed beer and soda pop bottle and can deposits from wholesalers for a gain of $46 million, a move the wholesalers have said they will challenge in court.

It would also allow a football lottery to be established and off-track betting in Chicopee. Neither would raise money this year, but would bring in about $56 million for the fiscal year that begins July 1.

The bill also would allow retail stores to operate all day Sunday. State Sabbath laws now forbid most major stores from opening until noon. Stores also would be allowed to open for extended hours on Columbus Day, Memorial Day and July 4.

Cities and towns would be allowed to collect property tax payments four times a year instead of twice, and to put new construction on the tax rolls more quickly, providing communities with $109 million more.

The proposal also would require state colleges and universities that have employees paid from trust funds to have those funds also pick up the tab for workers' fringe benefits.

Pierce questioned the accuracy of the Revenue Advisory Board estimates and said they might be part of a Democratic push to force a tax increase. But he said even if they are accurate, higher taxes must be avoided.

"I think it's really imperative we avoid higher taxes," Pierce said.

Anderson said the cuts are a start, but don't go far enough.

"They're going to have to cut a lot more than they have," she said.

"What he (Voke) has done is the correct thing to do," Manley said. "The question is, is it enough. I don't think it is."

his six-month pretrial detention at the Salem Jail and House of Correction.

John J. Whalley Jr., 29, is seeking $40,000 compensation, or $200 a day for the 200 days he spent at the jail between Dec. 5, 1988, and June 23, 1989, plus punitive damages.

Whalley said his rights were violated by the lack of toilets and overcrowding and the lack of adequate bedding, fire safety precautions and medical care at the county-owned jail.

The former inmate said he was confined to a single-occupancy cell with two other inmates and forced to sleep on the floor on a dirty mattress without sheets or blankets.

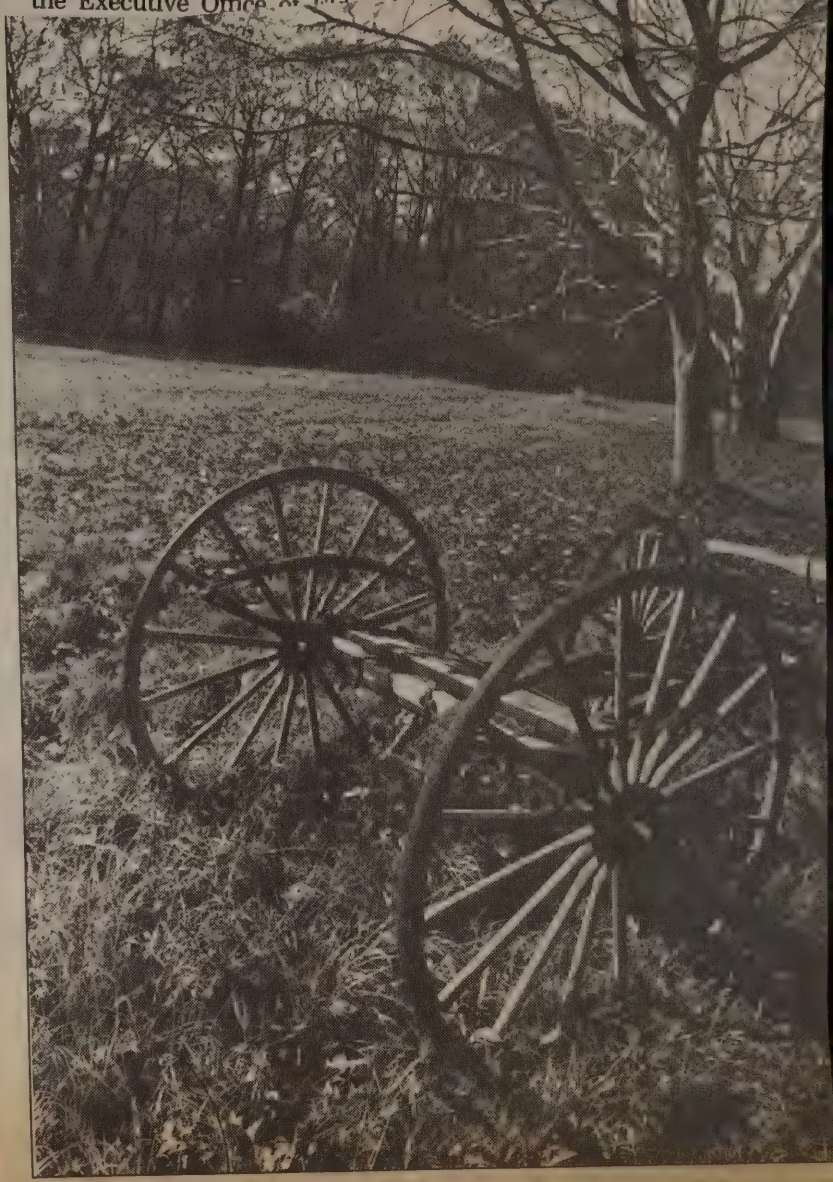
Whalley said he was not provided with any underwear and was not screened by any medical personnel after admission. And he was forced to use a plastic bucket for urination after 8:30 p.m. at night and was almost never provided with a cleansing agent to wash the bucket in the morning, he said.

In addition, there were no fire drills during his six-month jail stay, he said.

Before sentencing last June, Whalley and another Revere man admitted that they robbed a Cumberland Farms store on Route 1 in Ipswich on Dec. 3, 1988. While Whalley served as the lookout, his accomplice held a screwdriver in his pocket as if it were a concealed gun while Whalley acted as a lookout. They were arrested a brief time later after a high-speed chase by Newbury and Newburyport police.

Whalley was sentenced to three to five years in Cedar Junction State Prison in Walpole and his accomplice, four to eight years.

born said the $13,919 grant from the Executive Office of



A fall landscape

Freshly fallen leaves surround an old wagon sitting beneath in Gloucester.

Police identify man accused in

BEVERLY – After giving police several false names, one of two men arrested inside Pisani's Market on Rantoul Street yesterday morning was identified hours later by a Salem detective.

Beverly Sgt. George O'Brien said Salem Sgt. Richard Urbanowicz identified the man as Brian C. O'Connor, 29, of 48 Pleasant St., Beverly. Yesterday morning, O'Connor was booked under the name Brian C. O'Shea of the same address.

Police surrounded Pisani's early yesterday after a neighbor telephoned to report a break in progress at the market. O'Connor was arrested inside the store and charged with seven counts of breaking and entering in the nighttime, giving a false name to a po lice officer and two counts o larceny.

Arrested after fleeting to hi apartment, also at 48 Pleasant St was Daniel J. Constantino, 23. Cor stantino, who told police he serve as lookout for O'Connor, wa charged with one count of breal ing and entering.

Police said O'Connor admitte

POLICE

Beverly

Patrolman Raymond Beals said a Beverly woman reported her car stolen yesterday from a parking lot at 1 Dodge St., but that the 1984 Chevrolet Camaro was recovered later in the morning on Linden Street with minor damage.

Peabody

Three aluminum light poles were reported stolen from the Higgins Middle School during the weekend. The poles had been lying on the ground, and each was 20 to 30 feet long, police said.

Salem

Police arrested Humberto A. Minaya Jr., 18, at his

The arrest was
Bail was set at

Danvers

Donald S. Pe
arrested and ch
on Endicott Str
to police repor
merchandise va

Gary J. Wojc
arrested last ni
ing a motor veh
Wojcek was arr
164 Maple St.

IVERY
QUEST
al Cleaners
7 ELLIOTT STREET

Slicing a deficit with little knifing

Boston
globe
11/7/89

By Renee Loth
GLOBE STAFF

News analysis

After its lopsided $855 million tax-and-cut proposal was swiftly rejected by rank-and-file legislators last week, House leaders said they had learned their lesson: new taxes would be kept off the table until ideas for trimming the budget had been exhausted.

But the bulk of the $401 million package unveiled by the House Ways and Means Committee yesterday – $270 million of it – comes not in budget cuts but in a combination of "nontax revenue," much of which opponents said would be absorbed by taxpayers in increased consumer costs, and in "program savings," which may be politically difficult to achieve.

Critics yesterday attacked the House proposal for its $123 million in increased revenue, collected in part from higher fees and charges.

"The whole idea of nontax revenue is off-base," said House Minority Leader Steven Pierce (R-Westfield), a candidate for governor. "Ultimately, it comes from the taxpayers."

Barbara Anderson of Citizens for Limited Taxation was even more blunt. "It's still more of a tax increase than it is a spending cut," she said.

For example, the House proposes to bring in an additional $20 million by tapping state college trust funds for the cost of employee fringe benefits such as health care. Opponents predicted that such an increase would be passed on to students in higher activity fees.

The plan counts on $46 million from unclaimed bottle deposits – retroactive to July 1988 – that accumulate when consumers do not redeem their bottles and cans. Distributors of beer and soft drinks who are keeping the unclaimed deposits have threatened to challenge the plan in court or simply pass the cost on to consumers in higher retail prices.

Relatively small amounts would be raised by increasing the fee to reinstate a revoked driver's license, and by requiring titles for boats and for all cars more than 10 years old.

Rep. Richard Voke (D-Chelsea), House Ways and Means Committee chairman, said some questions had been raised among House leaders about the strategic wisdom of proposing the nontax revenue and savings plans rather than "a pure cut package." Voke, however, was sanguine about his committee's latest plan to close the state's budget gap.

"We're trying to hear precisely what the people are saying," he said, "and I think we've got hold of it here."

Voke predicted that some of the savings proposals he called "suspect" last winter when they were offered by Gov. Dukakis would meet a better fate in the Legislature now, given plummeting revenues and a softening economy.

"Political constituencies change from time to time," Voke said.

The House plan projects that $38 million will be saved this year in Medicaid, the immense account that provides health care for the poor. Most of the savings would be achieved by allowing the Department of Public Welfare to circumvent the state Rate Setting Commission and take direct control over the cost of its health services. At least one proposed change – allowing Medicaid the authority to contract with selected providers – would require federal approval because the federal government matches each Medicaid dollar spent by the state.

Other Medicaid savings include requiring physicians to provide low-cost generic equivalents for brand-name drugs, allowing Medicaid to place identified "high utilizers" of health services into lower-cost health-care plans, and limiting reimbursements for mental health visits, speech and occupational therapy and chiropractic services.

Other proposals are expected to offend powerful constituencies, which could make legislative approval dicey.

The plan projects $12 million in savings by removing the carefully negotiated cap on mandatory business contributions to the so-called free-care pool under the universal health care law.

An additional $7 million is pegged to removing what is left of the blue laws, which require retail stores to remain closed until noon on Sundays. The package proposes allowing retail stores to be open all day Sunday, which has been opposed in the past by the Massachusetts Catholic Conference.

Rep. John Flood (D-Canton), House chairman of the joint Taxation Committee and a candidate for governor, predicted that the $130 million in cuts proposed yesterday would be implemented, but that the remainder of the package would "have trouble."

"Everybody wants to make a cursory pass at cuts and then immediately start on revenues," Flood said of his fellow Democrats. "We have to go deeper. The average citizen just doesn't buy it anymore."

d quarter to
oing glasses
e cut. Half a
a beer for a
ere patrons
like trees.

ate October
tantly yield-
nitting to the
litics would
ler's hand.
amuse or
ound truck
e editor of
Chinese food
by thought,
e paper.

e G & G
ction eve
showed for
rge Fin-
ck, Jimmy
onough,
y Langone,
, Buckley
ith larceny,
of govern-
e vote of
to cyni-
nts of sup-

stopping
oving and
Washing-
he South
nyself drift-
at time
g people
bsession
as such an
arley Chico's
Jimmy, who
s the two
trying to get

associations
Jimmy Chico
en 24 hours a
ple who come
blacks."
n the stoop
to the morn-
drugs in the
soft, miracu-
ne from the
and floated
ppy anec-
gs. I always
n, and that
forever
lure or even
in wait.
people board
into clinics
duce no
the rel-
le who
Of course,
ife have ab-
ve instead
hing without
opinion

that old-tim-
business of
ess circus of
f them, are
some idiot
un with no
nce. They
tion of the

ause they
good ones
uickly along.
n breeds
ing medioc-

any street,
y served by
s. This is
e is all

PRESENTS UNDER GLASS – *John Walsh, di*
arranges a Christmas display of dolls an
yesterday.

Man questioned

By Sean Murphy
GLOBE STAFF

The man questioned last week as a possible suspect in the Carol Stuart shooting death continued to be held in custody last night despite being found not guilty yesterday in a case brought against him by police last week.

In a day of unusual procedural maneuvers, authorities brought a new charge against Alan Swanson, 29, at the conclu-

sion of his tr
charge of tres
The new
brought again
tal yesterday
lie Harris, to
Swanson as "
pease the pub
some progre
case."
Police hav
shooting two

A strong li

The work never ends at Ja

By Kay Longcope
GLOBE STAFF

TOPSFIELD – To Jack Armitage, founde
rector of Massachusetts' only suburban
organization, the work is nonstop, "all-c
ing."
A phone in the home office – a renovate
chicken coop at the end of Meredith Farm's alfalfa-
fields – rings constantly.
Armitage, a gay man who has lived in Topsfield
years, repeatedly responds: "Strongest Link AIDS
vice Inc. How may I help you?"
Some callers, angry and afraid, discuss the shoc
having tested positive for the HIV virus or of a dia
of full-blown AIDS. They seek information, as well
comfort and solace.
Armitage, 36, tells them of weekly support grou
meetings held Monday evenings at Topsfield's Trin
Episcopal Church. Since September 1988, when St
Link was formed, attendance has grown from a fe
average now of about 30.
"It's gotten
group," Armita
Other caller
the loss of frie
suggests they
for survivors. I
Episcopal.

Callers ask out
Over the ph
munity outreac
"We're swamp

Rep.

By Steve
GLOBE

New England's t
regulators met with
Kennedy 2d yesterda
ment inadequacies t
skewed patterns of le
Kennedy, who c
the office of Feder
Richard Syron, told
have failed to adequa
munity Reinvestmen

Deficit reaches $730m, outpaces revenue plan

BOSTON GLOBE 11/7/89

By Bruce Mohl
GLOBE STAFF

The pressure for new taxes mounted yesterday as a House package of spending cuts and revenue initiatives failed to keep pace with a state deficit that grew to $730 million.

The governor's Revenue Advisory Board dropped its forecast of tax revenue growth for this fiscal year by $220 million, saying tax receipts will now grow by only $58 million, or .7 percent.

One member of the board, citing the downturn in the economy, warned that the situation could become much worse.

The disappointing news on the revenue front came as the House Ways and Means Committee, after weeks of study, tried to rein in spending to match the slumping tax figures.

The committee approved a $341 million budget-balancing package that calls for $130 million in spending cuts, $88.7 million in savings initiatives and $122 million in new, nontax revenues. The committee also endorsed another $60 million in nontax revenues being pursued by Gov. Dukakis.

Rep. Richard A. Voke (D-Chelsea), the chairman of the House Ways and Means Committee, acknowledged the $401 million budget-balancing package will fall more than $300 million short of erasing the growing deficit. He said additional cuts in the state budget will be "exceedingly difficult" to find.

Voke said the House budget-balancing package, if it is approved, will allow lawmakers to finally choose between cuts in "essential" state programs or raising taxes to finance those programs. "Those cuts that people have been asking for in general government are now before us," Voke said.

Although some lawmakers and opponents of new taxes questioned whether all possible cuts had been made, Voke said the package unveiled yesterday is a compendium of all Republican, Democratic and interest group proposals that made sense and generated any savings.

Many of the revenue initiatives in the

BUDGET, Page 8

HIGHLIGHTS OF PANEL'S PACKAGE

- Spending cuts of $130.4 million, including reductions in press aides, administration officials, state cars and outside consultants.
- Savings of $88.7 million by restructuring Medicaid, capping emergency assistance to people on welfare and higher business payments for health insurance.
- Legislative oversight of authorities' budgets.
- New nontax revenues of $200.9 million, including collection of unclaimed bottle and can deposits, higher tuition for out-of-state students, higher student fees at state universities and new Registry fees and opening of retail stores on July 4th, Memorial Day and Labor Day.
- Consolidation of the State, Metropolitan, Capitol and Registry Police under one administration.

eficit seen reaching $730m; outpaces House revenue plan

■ BUDGET

Continued from Page 1

House package were taken from a proposal originally developed by Dukakis. It was unclear whether the cuts outlined in the House plan duplicate cuts the administration is already implementing on its own.

The House cuts are spread throughout state government and concentrated mostly in the administrative budgets of agencies. The cuts followed earlier cuts by both the Legislature and Dukakis in the crafting of the fiscal 1990 budget.

Most constitutional officers had their administrative budgets cut 5 percent by the House plan, except for Dukakis, who saw his entire budget cut 20 percent. The House proposal would eliminate all of the governor's policy offices and his office of federal-state relations.

■ **An analysis of the budget-balancing package. Page 18.**

Voke highlighted the House's intention to limit each Cabinet-level agency to one press officer and each agency to one legislative lobbyist. Voke said the caps on press and lobbying aides are "clearly revolutionary changes in the body politic."

Other cuts proposed in the House package would eliminate nearly all of the funds for pilot programs for the universal health care law and remove the cap on the so-called bad debt/free care pool, a move that would hike health insurance costs for businesses by $12 million.

The House proposal would do away with the Massachusetts Council on the Arts and Humanities as of Jan. 1, but leave intact the grant funds for arts groups the council is in charge of handing out. The savings were estimated at $600,000.

Cabinet plan scrapped

"For a fraction of a fraction of our state budget, Massachusetts will become the first state in the nation to eliminate its agency for culture. That's no bargain," said Nancy Finkelstein, executive director of the council.

The much talked-about consolidations of Cabinet agencies and the elimination of the Board of Regents were scrapped because officials said they failed to generate much savings and were deemed too controversial. An outside section of the House package, however, calls for a study of possible consolidations and a reorganization of higher education.

AP PHOTO

The House Ways and Means Committee chairman, Richard A. Voke, addresses the committee yesterday on a budget-cutting bill.

The only major consolidations remaining in the package would bunch the State, Registry, Metropolitan and Capital police under one administrative office and merge Massachusetts Maritime Academy with Southeastern Massachusetts University.

The House plan also calls for legislative oversight of the budgets of all state authorities as well as the repayment by certain authorities of $19 million previously borrowed from the state. Dukakis indicated he would probably oppose both measures.

Voke offered up a potpourri of revenue and savings initiatives totaling just over $200 million. They include a restructuring of Medicaid to give the Department of Public Welfare more authority over the rates it pays companies providing services to clients and a cap on rent and utility support payments for welfare clients.

Two proposals would force the state university and college system to absorb costs the state is currently paying, an action that is expected to drive up student fees by about $22 million.

Cash from bottles, cans

Other initiatives include the recovery this year of $46 million in unclaimed bottle and can deposits from beverage companies, store openings on July 4, Memorial Day and Labor Day, several new fees, legalized betting on all types of professional sports and off-track horse betting.

House Speaker George Keverian, who initially pushed for an $855 million tax package and $100 million in spending cuts, was not available for comment yesterday. But he has said he would rather raise taxes than cut programs beyond the reductions outlined yesterday. Keverian also wants to restore some human service funds previously cut by the governor.

Dukakis, who has been pushing for new taxes for almost a year, hailed the House proposal as a "major step forward." Noting that the House package includes many proposals put forth initially by his administration, Dukakis said taxes are still needed. "We still have a major gap to fill even if all these recommendations are adopted. That means new revenue," he said.

The governor's Revenue Advisory Board met early yesterday morning and decided to slash projections for most of the state's taxes. While the four members quibbled about whether the state is facing a recession, there was obvious concern about the future of state tax receipts, which in past years have grown at a double-digit pace.

Sampling of $130 million House budget cuts

Agency	Current funding	Proposed reduction
Legislature	$47.9m	$1m
Governor	$5.5m	$1.1m, including elimination of all policy offices and office of federal-state relations
Judiciary	$301m	$13 million
Constitutional Offices	-	5 percent cuts in personnel accounts
Corrections	$235.6m	$2.3 million, including 5% cut in administration
Health Care	$9.3m	Eliminates $5.6 million of $7m for pilot programs for universal health care bill
Arts & Humanities	$1.17m	$585,147 cut, retaining grants to arts groups but eliminating agency as of Jan. 1
Environmental Affairs	$31m	$1.6 million
DEQE	$28.5m	$1.4 million
Homeless Prevention	$3m	$2 million
Public Welfare	$2.95b	$7.8 million
Public Health	$156.3m	$1 million
Mental Health	$496m	$1m, including 5 percent cuts in administration
Dept. of Education	$1.5b	$5.5 million, including elimination of regional offices
Higher Education	$716m	$25 million
Economic Affairs	$13.9m	$3 million, including $2 million cut in tourism promotion

* The committee calls for 5 percent cuts in administration accounts at most agencies of state government, including the restriction that each Cabinet agency be restricted to only one press spokesman and each agency be limited to one legislative lobbyist.

SOURCE: House Ways and Means Committee

Globe staff chart

Robert Capeless, a former Revenue Department commissioner, cautioned that yesterday's projection of 0.7 percent growth, down from the earlier projection of 3.2 percent, may actually be too optimistic. He said actual tax receipts for this fiscal year may drop compared with last year.

"I think a warning has to go out that this could be a disastrous situation," Capeless said.

Not everyone convinced

Yet not everyone was convinced new taxes will be needed to deal with the downturn in revenues. Many House members said they plan to file amendments calling for additional spending cuts when the budget-balancing package arrives on the House floor for debate tomorrow.

Rep. Robert Havern (D-Arlington) said he believed more cuts could be made in the budget for outside consultants, although Voke said the 10 percent cut he called for yesterday was as far as the state should go.

House Minority Leader Steven Pierce (R-Westfield) said the $130 million in cuts approved by the Ways and Means Committee is too low. He said he also doubted the Revenue Advisory Board's new revenue projection. "I'm a little bit worried they're trying to stampede us into a tax increase," he said.

Barbara Anderson, executive director of Citizens for Limited Taxation, said she remained unconvinced that enough cuts have been made. "Saying it's a foregone conclusion doesn't mean it's right," Anderson said, referring to the need for new taxes.

Citizens for Limited Taxation is currently gathering signatures for an initiative petition that would roll back the temporary, 15 percent income tax hike approved in July and any other tax increases passed between now and November 1990.

Highlights of revenue initiative

Proposal	Fiscal year 1990 Savings/revenue (in millions)
Medicaid reform package	$37.7
Cap on additional benefits for welfare recipients	$29
Eliminate state contribution of free care bad debt pool, driving up costs of businesses	$12
Re-bid all outside consultant contracts and implement 10 percent cut	$10
Recover unclaimed bottle deposits retroactive to July 1, 1988	$46
Assess college trust funds for certain employee expenses and require state authorities to repay start-up loans (both moves expected to hike student fees by corresponding amount)	$22
Raise tuition for out-of-state students	$9
Require certain state authorities to repay start-up loans	$19
Alter state Blue laws to abolish restrictions on Sunday hours and allow stores to open on July 4, Memorial Day and Labor Day	$7
Require titles on all boats	$1
New Registry of Motor Vehicles fees and higher fees for license reinstatements and new sliding-scale fees on human service programs	$6.9
Statewide sports lottery and off-track betting in Chicopee. No revenue in fiscal 1990, but $56 million forecast for fiscal 1991	

SOURCE: House Ways and Means Committee

Globe staff chart

Richard Manley, president of the Massachusetts Taxpayers Foundation, applauded the House's plan but said more work needs to be done on additional cuts. "We're not at the point yet where we think taxes are inevitable," he said.

Survey: mayor doing good job

BEV TIMES 11/8

By JOHN MOONEY
Times staff

BEVERLY – Mayor F. John Monahan's leadership of the city into "pretty good shape" and caution about challenger Jeffrey Conley appeared to have carried Monahan to re-election yesterday, according to a sampling of the electorate.

In a random survey by the Times of more than three dozen Beverly voters last night, a slight majority said they voted for Monahan for reasons ranging from their long-time support of the mayor to the city's relatively sound financial condition.

"He's done well for the city," said one Centerville woman of the mayor. "We're in pretty good shape."

Some Monahan supporters raised concerns about Conley as well, saying his campaign was too negative or the challenger was "too one-dimensional."

"All he seemed to talk about was budgets," said a Beverly Farms man.

Conley's supporters in the survey mainly cited a need for a change in the city after three terms

Survey, page A10

---

ters happy with Monahan

p.m. at random to homes
hout Beverly, with a slight
given to North Beverly, the
nd Centerville, three of the
and most active sections of
7. A majority of those who
ded were women.

ave always supported the
and think we should give
iother term," said one Cen-
woman, explaining her
r Monahan.

a Montserrat voter: "I feel
ne a half-decent job for the
he history speaks for itself."

most specific reason came
Beverly Farms man who he
en impressed by Monahan's
sis in protecting existing
ntial zones, particularly in the Farms, one of the few places in the city where large tracts of land remain. Monahan has proposed two- and three-acre zoning in that part of the city, as well as opposed major development projects there.

But a half-dozen respondents also cited Conley in their support of the mayor.

Said one voter: "I didn't like the way Conley conducted his campaign. There was too much negative stuff."

On the other hand, some of Conley's supporters credited the challenger for his campaign and ability to articulate his differences from the mayor. One North Beverly man mentioned Conley's campaign charge this fall against Monahan's overspending of his office expense account.

"It seems the mayor is more of a politician than an administrator," said another voter. "It seems tougher times are coming, and Mr. Conley has a better background for it."

Still, an overwhelming number of Conley's supporters who responded cited the simple need for change in the city. "Six years is enough of Monahan," said a downtown-area man.

Not all took one side or the other, however.

One North Beverly woman was blunt in her thoughts: "I didn't like either of them; I was disgusted with the whole election."

BEV TIMES 11/8

WOMAN'S SUBSTANCE ABUSE WEEK: In recognition of the Massachusetts Department of Public Health's "Woman's Substance Abuse Awareness Week" the Center for Addictive Behaviors invites the community to an Open House on Tuesday, Nov. 14 from 4 p.m. to 7:30 p.m. at our Main office at 27 Congress Street.

The first part of the Open House (4 to 5:30 p.m.), attendees may choose from a selection of film showings and presentations on four topics important to womens health today, such as: Perinatal health and substance abuse, Shame and addiction, Children and adult children of alcoholics and drug-affected families, and Prevention and community issues.

Each topic will include a film, presentation, and discussion.

The second part of the Open House will follow, from 5:30 to 7 p.m. David Mulligan, newly appointed commissioner of public health, will be the guest speaker. He will present an overview of treatment services for women in Massachusetts.

Light refreshments will be served.

We invite all interested members of the community to come in and see how the war against drugs and addictions is being fought locally.

For more information, call 745-8890.

Gloucester Times Nov. 7, 1989

Skin care clinic

IPSWICH – A free skin cancer clinic will be held at the Cable Emergency Center on Monday, Nov. 13, from 5:30 to 8 p.m. Pre-registration is required by calling 922-3000, extension 2480.

Anyone who is concerned about a mole or other skin abnormality is welcome to attend this clinic. Examinations will be conducted by Dr. Sharad Chitre to determine whether any treatment is necessary. There will be no treatment done on the day of the clinic.

CAREGIVERS WEEK: As part of its celebration of National Family Caregivers Week, Beverly Hospital will sponsor its second annual Caregiving Fair on Nov. 28, at 2-6 p.m. in the hospital Lobby and Lecture Hall.

This fair responds to the needs and questions of families who take care of older adults, and provides information on how to arrange home health care, where to find answers about insurance and benefits, how to locate respite or adult day care, and what to do about stress.

For more information, call Beverly Hospital TIPS office, at 922-3000, Ext. 2315. BEV TIMES 11/8

Colorectal cancer screening

Salem News 11/9

BEVERLY — A free colorectal cancer screening will be held from 4 to 7 p.m., Wednesday, Nov. 15, in the outpatient department at Beverly Hospital. Participants will receive a take-home testing kit and instructions. Pre-registration is advised. Call the hospital's community relations department.

Boston Globe 11/8/89

5 accounts threaten to swamp budget

By Bruce Mohl
GLOBE STAFF

Five giant accounts that have received almost no scrutiny in the current round of budget deliberations are gobbling up state revenues at such a pace that they threaten to bust virtually any budget for the foreseeable future, according to preliminary figures compiled by the Senate Ways and Means Committee.

With politicians and the public ted on the cost of so-called hacks ublic relations people, the Sen- ures show the real budget crunch is being caused by the state's escalating costs for Medicaid, pensions, payments on bonds, health insurance for state employees, and subsidies for the Massachusetts Bay Transportation Authority.

The five items accounted for 28 percent of the state budget in fiscal 1987 and are expected to represent 40 percent of state spending in fiscal 1991. In dollar terms, the five items accounted for $2.9 billion in spending in fiscal 1987 and are expected to hit $5.2 billion in 1991.

The figures indicate that the five accounts are swallowing all of the state's increase in tax receipts and leaving little, if anything, for the remaining elements of the budget, which include such big-ticket items as local aid, human services, corrections, and other state services.

Sen. Patricia McGovern (D-Lawrence), chairwoman of the Senate Ways and Means Committee, calls the five accounts "the budget busters" and said they must be brought under control or the fiscal crisis will never end.

"We need to get beyond the grandstanding around this budget crisis," McGovern said. "Many of the cuts that have been and will be discussed will not result in any meaningful savings. It's time we got honest with the public. The real growth lies in these five accounts."

The five accounts are expected to require $525.9 million in additional revenues this fiscal year, even though tax receipts are currently expected to rise only $58 million.

Next year the situation may be even worse. The Ways and Means Committee forecasts an additional $938 million will be needed to fund the growth in the five accounts in fis-

BUDGET, Page 27

eat up
more.

caid and 4 other accounts eaten to swamp state budgets

BUDGET
ontinued from Page 1

cal 1991. Even if tax receipts grow at a 5 percent pace, which seems highly unlikely, they will still be $100 million short of the $938 million required.

The figures indicate most candidates for governor have not yet come to grips with the seriousness of the state's budget problems. Lt. Gov. Evelyn Murphy has vowed to hold the line on taxes by capping state spending growth at 5 percent, but the five budget busters alone may eat up the entire 5 percent and more.

Murphy and the other candidates – both Republican and Democratic – have focused most of their attention on generic across-the-board cuts in spending, rather than on the major reforms that McGovern says are necessary. None of the candidates has addressed the rising cost of Medicaid, the federal-state health insurance program for the poor and elderly.

New taxes year after year

If no action is taken on these five accounts, McGovern said, new taxes will be needed year after year. She said symbolic cuts in spending must be made, but cautioned that these cuts will not really solve the state's fiscal problems. "We're fixated on the trees and the forest is burning," she said.

Rep. Richard A. Voke (D-Chelsea), chairman of the House Ways and Means Committee, agreed that major choices on these programs are facing the state. "We're reaching a point where we have to have major tax increases each year and/or review those programs to see what extent we're going to be able to keep them. The days of keeping them wholesale in state budgets are over," he said.

McGovern cautioned that her committee's figures are preliminary and based on a variety of assumptions about the future pace of spending. But even if the growth in Medicaid spending is less than forecast, McGovern said the growth in the five accounts would still be sizable.

Why the fast growth?

The senator, who has been briefing her colleagues and business groups on the figures, said the real issue ahead is to uncover why spending on these accounts is growing so fast and how it can be reined in.

The Senate figures forecast state spending to grow 29.3 percent between fiscal 1987 and fiscal 1991, with an assumption for 1991 of 3 percent growth in all accounts except for the five budget busters.

Over that same time period, Medicaid is forecast to grow 87.7 percent, the MBTA 80.3 percent, payments on state bonds 72.6 percent, pensions 23.8 percent, and group health insurance for state employees 126.5 percent.

Medicaid alone is expected to grow from $1.4 billion in fiscal 1987 to $2.7 billion in fiscal 1991. Medicaid's share of the state budget over that period is expected to rise from 14 percent in fiscal 1987 to 21 percent next year.

Pensions is the only one of the five accounts that has already been addressed by the Legislature. In an attempt to erase the system's unfunded liability, the Legislature has put the state on a payment schedule that will require higher and higher payments into the state pension system over the next decade. The payment this year is $620 million and is expected to rise to $670 million in fiscal 1991.

partment official
ampaign to change
nd State Depart-
lan, the lines have

981, Miller noticed
the government
Jordan River as
he United States
nexation in 1950 of
y.

he disputed area
ltural region bear-
of Judea and Sa-
Israel or Jordan.
showed the Israeli-
g the 1949 armistice
s, which defined Is-
he 1967 war. Israel
at war and has oc-
calls from much of

Department's geographer.

Miller b
pher, who i
tographers
longing to
changed.

Miller,
when Shult
meeting in
Haig. Mille
computer t
Shultz to b

But only
cartographe
of Jordan w
early this y

Shultz, v
it was to bri
Middle East
year, "I'm g
something t
cance."

JENN-AIR ®
INTRODUCES
The Best of Both Worlds
GAS COOKTOP & Self Cleaning CONVECTION OVEN

Fuel

for indoor

oven
tional baking

National Briefs

Shuttle is slated for military flight

CAPE CANAVERAL, Fla. – The space shuttle Discovery will lift off after dark on a secret Thanksgiving week military mission, the first of three nighttime launches scheduled here in four weeks. NASA announced the Nov. 20 Discovery launch date yesterday after shuttle managers concluded a two day-review assessing the readiness of the orbiter, the payload, the global tracking network and all other aspects of the mission. (AP)

L.A. jury acquits former TV actor

LOS ANGELES – A jury yesterday acquitted a former child television star, Todd Bridges, of attempted murder and attempted voluntary manslaughter charges in the shooting of a man at a crack house. However, the Los Angeles Superior Court jurors said they were deadlocked on an assault charge, and resumed deliberations. The 24-year-old former "Diff'rent Strokes" star was accused of shooting eight bullets into the head of Kenneth "Tex" Clay, 25, and slashing his throat during a Feb. 2 scuffle in a Los Angeles house where crack cocaine was being peddled. (AP)

Fetal abuse case thrown out in Fla.

FORT LAUDERDALE, Fla. – Child-abuse charges against the mother of a baby born addicted to cocaine have been dismissed by a judge who ruled the fetus is not a child. The judge threw out the charges Monday against 23-year-old Cassandra Gethers, who was arrested in February after she and her daughter were found to be addicted. She had given [illegible] to a

Keverian warns taxes needed

BEV TIMES
11/8/89

BOSTON (AP) – Spending cuts alone won't be enough to balance the budget unless social programs are savaged, so higher taxes will be needed to erase more than $720 million in red ink, House Speaker George Keverian says.

Keverian said he expects dozens of amendments to be offered to the $401.4 million package of budget cuts and non-tax revenue approved by the House Ways and Means Committee during House floor debate that starts today.

"My guess is we will not be able to find sufficient cuts that we are willing to take responsibility for to balance this budget without new revenues," Keverian, D-Everett, said in an interview.

But John Gould, president of the 3,000-member Associated Industries of Massachusetts, said he believed further cuts could be made without curtailing social services.

"There is no question in our mind that another $200-$300 million in available cuts and savings exist without impairing the commonwealth's delivery of human services," Gould said.

Keverian said he expects debate on spending cuts will run from two days to a week.

Meanwhile, two major church groups opposed a $7 million portion of the Ways and Means package, a provision that would allow major stores to open Sunday mornings and a cabinet secretary in the administration of Gov. Michael S. Dukakis said the budget would devastate her agency.

The state's Sabbath laws now prohibit most big stores from opening before noon.

The Massachusetts Council of Churches, a coalition of mainline Protestant churches, and the Massachusetts Catholic Conference both asked legislators to reject the move.

"The current attempt to permit store openings on Sunday mornings would mark the final capitulation to unchecked consumerism," the Council of Churches said in a letter to lawmakers.

Gerald D'Avolio, lobbyist for the Catholic Conference, said he already has told House leaders the state's Roman Catholic bishops oppose the idea.

The AFL-CIO and the United Food and Commercial Workers Union, the labor organization that represents many department store workers, also oppose the plan.

But Gould said his industry group supports the proposal.

Keverian declined to take a position on the Sunday closing issue.

Keverian reiterated that the plan debated by the House would deal only with the budget and with limited non-tax revenues, such as the Sunday openings and a move to raise $46 million by forcing beverage wholesalers to turn over to the state bottle and can deposits unclaimed by consumers.

evy IROC
ruise
k No. 9-1501A
$8995

evy Monte Carlo SS
0909B CHOICE OF 2

ntiac Grand AM
nd., tilt, stereo,
ock No. 91717A
$8995

evy Celebrity
/cassette.
78A
$6495

C S-15 Jimmy
ds, running bds.,
., a/c. Stock No. 0335A
$8995

evy S-10 Blazer
267A
$AVE

rd F-150
miles,
ck No. 9-1450A
$10,995

• 508-774-8255

America

own family. He wrote that his father, Bill Sr., had two criteria for a vacation attraction: "Was it educational and was it free?"

"His idea of holiday heaven was a museum without an admission charge," Bryson wrote. "He was so cheap on vacations that it always surprised me he didn't make us sift in litter bins for our lunch."

However, he was worried that his father, a longtime sports columnist for the Des Moines Tribune, would be perceived as a buffoon, so he showed the manuscript to his mother before it was published.

"I said to her, 'Look, if there's anything you're unhappy with, tell me,'" Bryson said. "She thought it actually was an affectionate account. . . . I was well aware I was using both my parents as comic book figures for purposes of humor. My mother wasn't troubled by it at all."

Bryson never did find his perfect small town, although he visited some that came close. Among his favorites were Columbus, Miss.; Charleston, S.C.; Savannah, Ga.; Gettysburg, Pa.; Chestertown, Md.; and Pella and Storm Lake in Iowa.

And if a foreigner had one place to visit in the United States, Bryson would recommend the Grand Canyon.

"It's the one experience America has that can't be duplicated anywhere else," he said. "You can go to the Alps if you want to see mountains, you can go to the Yangtze River and see a river that's as great as the Mississippi, but there's just no place in the world that's got a hole in the ground like the Grand Canyon."

His worst experience was in Sundance, Wyo., where a gum-chewing waitress at the only restaurant in town wouldn't serve him because a group of Shriners were having a private party there. He had to make do on $6 worth of potato chips and candy bars from a gas station.

"Anywhere in Iowa, someone would have fixed me up with a sandwich," Bryson said. "They seemed to take a positive pleasure in the idea I was just going to eat potato chips and candy bars. I never encountered that type of malice anywhere else."

BEV TIMES 11/8

Mayor will serve for fourth term

By JOHN MOONEY
Times staff

BEVERLY – Mayor F. John Monahan yesterday was re-elected by 324 votes, making him the city's first four-term mayor in more than 40 years.

In what many called his toughest challenge to date, Monahan edged challenger Jeffrey Conley by taking a little more than 50 percent of the 13,500 votes cast and nine of 12 precincts in the city.

"This victory tonight is the sweetest victory I have ever experienced," Monahan told a crowd of more than 200 at his victory party at the Vittori-Rocci Post on Brimbal Avenue.

Conley, the Ward 4 alderman who received just short of 48 percent of the total, was saddened in his speech to supporters across town at the Franco-American Club on Park Street: "I'm not just disappointed for me. I'm disappointed for all the people who helped us out so much."

The mayor's win was the end

Mayoral, page A10

ELECTION AT A GLANCE

Mayor

F. John Monahan	**6,807**
Jeffrey W. Conley	6,483

Alderman at-large

David Vagos	**7,063**
James F.X. Doherty	**6,743**
Raymond Battistelli	**6,605**
Richard Montoni	4,014
John P. Frates Jr.	3,879
Judith L. Gillespie	3,203

School Committee at-large

Donald K. Hannable	**7,142**
Nancy M. Winter	**6,877**
Thomas J. Roccio	5,740

Alderman Ward 4

Sandra W. Reinecke	**1,613**
Rodman K. Forter	1,228

Alderman Ward 5

Donald G. Martin	**1,225**
William J. Coughlin	1,088

Alderman Ward 6

Thomas C. Fallon	**1,140**
John W. Murray	1,072

School Committee Ward 4

Constance C. Krueger	1,531
Lawrence Kline	1,249

Salem Mayor

Neil J. Harrington	**6,697**
Anthony V. Salvo	6,084

Peabody Mayor

Peter Torigian	**11,513**
Stefano Picciotto	1,114

yoral race goes to Monahan again

rom page 1

y that saw six of eight s in Beverly re-elected positions as mayor and s of the Board of Alder- d School Committee.

sunny day and active races hree wards brought out a rela- ely heavy turnout for the city, ith about 63 percent of the city's 22,110 registered voters casting ballots in the 12 precincts throughout Beverly.

Alderman President David Vagos was re-elected to his third term at the helm of the board, joined in the at-large seats by incumbent James Doherty and Ward 5 Alderman Raymond Battistelli, one of just two challengers to win their bids yesterday.

Other successful incumbents were Ward 6 Alderman Thomas Fallon and at-large School Committee members Donald Hannable and Nancy Winter. Constance Krueger unseated 12-year Ward 4 School Committee member Lawrence Kline in possibly the biggest upset of the day.

In the two races without incumbents, Donald Martin won the Ward 5 alderman seat to be vacated by Battistelli and Sandra Reinecke was elected the Ward 4 alderman by the election's widest margin.

Monahan is the city's first four-term mayor since former Mayor Daniel McLean served five terms from 1937-1948. Other than those two, no other mayor has served more than three terms in all of the city's history.

Monahan's victory was also his second in a row after failing to win the preliminary election. Conley topped the mayor by 667 votes six weeks ago.

And indeed, the race was also a bitter one this year, with both candidates attacking each other throughout the campaign. Monahan rested on what he termed his six-year record of stability and prosperity. Conley warned of tight fiscal times ahead and the little progress Monahan had made to prepare for them.

It was Monahan's message that appeared to strike home citywide. He easily took all of Wards 1, 2, 3 and 5 and lost by just 62 votes in the Cove, one of Conley's home precincts.

"We had a lot to overcome," Monahan told his supporters last night. "Everyone counted us out at the (preliminary); we were down quite a bit."

But, the mayor added, "we brought our record to the people . . . a record of a city that's residential, a city that's livable, a city that represents excellence in education and is environmentally sound – a city for the people."

Two miles away on Park Street, Conley said Monahan's emphasis on his campaign theme of neighborhood preservation may have been the difference. Monahan had depicted Conley as lax on developers and a threat to the neighborhoods.

"I think a lot of the mud he threw (about Conley's zoning positions), a lot of it stuck," Conley said in an interview as his election night party dwindled down.

Conley also pointed to the mayor's massive financial push in the final days of the race, with new signs and leaflets in the mail almost daily.

Still, Conley was not without pointing to himself, either. "I must have done something wrong; I just don't know yet what it was," he said.

The two combatants eventually met at about 10:30 p.m., with Conley driving over to the Brimbal Avenue post to congratulate the winner. The challenger was greeted by loud applause and kind words from a mayor who had bashed him the previous six weeks.

"It was a spirited campaign, where there were issues that we disagreed on," Monahan said to what remained of the crowd. "But that is very good for the democratic process.

"Jeff and I have been friends for 20 years, and we will come back together as friends to work for the benefit of the city," he continued. "To a very spirited competitor, my friend."

Conley responded in brief.

"I want to congratulate all of you – you worked very hard," he told Monahan's supporters.

"My only personal satisfaction, Jack, is you didn't have as easy a fall as you might have expected," Conley added. "And I think the city is better for a good campaign."

Support group to meet at hospital Tuesday

BEVERLY — The Beverly Hospital cancer support group for cancer patients, their families and friends will meet at 7 p.m. Tuesday, Nov. 14 and 28 on the sixth floor of the hospital's Johnson Building. The discussion will deal with relieving stress with relaxation exercises. Hospital officials said the meetings are open to the public.

Salem news 11/13

NURSING HOME PRESENTATION: A regular free program presented by the Beverly Hospital Social Service Department explains the process, rules and options for nursing home placement.

The regular monthly nursing home placement program will be held on Nov. 13 from 5:30 to 7 p.m. in the hospital's physician conference room. The one-session seminar will be led by licensed social worker Ann Kenyon, who will discuss the family's role in locating the appropriate facility for their relative.

For more information call the Beverly Hospital Social Service Department at 922-300, Ext. 2710.

Bev Times Nov. 11

CAREGIVERS WEEK: As part of its celebration of National Family Caregivers Week, Beverly Hospital will sponsor its second annual Caregiving Fair on Nov. 28, at 2-6 p.m. in the hospital Lobby and Lecture Hall.

This fair responds to the needs and questions of families who take care of older adults, and provides information on how to arrange home health care, where to find answers about insurance and benefits, how to locate respite or adult day care, and what to do about stress. Representatives from many community agencies will be available at the Caregiving Fair to answer questions and provide information and referral. For more information, call Beverly Hospital TIPS office, at 922-3000, Ext. 2315.

Bev Times 11/13

CANCER SUPPORT GROUP: The Beverly Hospital cancer support group for cancer patients, their families and friends will hold meetings on Tuesday, Nov. 14 and Tuesday, Nov. 28 from 7 to 8:30 p.m. This month's topic "Relieving Stress with Relaxation Exercises," will outline simple and effective methods of relieving stress.

This free support group meets in the hospital's Johnson Building on the sixth floor. All meetings are open to the public. For more information, please call 922-3000, Ext. 2710.

Bev Times 11/13

SKIN CANCER CLINIC: A free skin cancer clinic will be held at the Cable Emergency Center on Monday, Nov. 13, from 5:30 p.m.-8 p.m. Pre-registration is required.

Anyone who is concerned about a mole or other skin abnormality, may attend the clinic.

The clinic's purpose will be to determine whether any treatment is necessary. Examinations will be conducted by Sharad Chitre, M.D.

To arrange for an appointment, call the community Relations Department at: 922-3000, Ext. 2480. Cable Emergency is located at the intersection of Routes 1A and 133 at 126 County Road in Ipswich. All area residents are welcome to attend.

Bev Times 11/13

Are you a Caregiver? . . .

If you have found an unique way of solving a problem for someone you care for, it may be a winner in a contest to be held to choose the best Caregiver Tip.

As part of National Family Caregiver Week, Beverly Hospital will sponsor a Caregivers Fair on Nov. 28 from 2 p.m. until 6 p.m. in the Lobby and Lecture Hall. The three most creative tips will win valuable prizes designed especially for Caregivers.

The fair responds to the needs and questions of families who take care of older adults and will provide information on how to arrange home health care, where to find answers about insurance and benefits, how to locate respite or adult day care and what to do about stress.

Representatives of many community agencies will be available to answer questions and provide information and referral.

Bev Times 11/13/89

Hazel Davenport is a resident of Beverly.

Salem news 11/13/89

Tsongas tops gubernatorial poll

BOSTON (AP) — A poll shows former U.S. Sen. Paul Tsongas, who left political office in 1984 because of cancer, is a strong favorite for the Democratic gubernatorial nomination in 1990, even though he has not entered the race.

The prospective candidates in the poll taken for The Boston Globe and WBZ-TV included Rep. Joseph P. Kennedy 2d, D-Mass. and Boston Mayor Raymond Flynn, both of whom have taken themselves out of the running.

Other Democratic candidates include Lt. Gov. Evelyn Murphy, former Attorney General Francis X. Bellotti and state Rep. John Flood of Canton, who announced formally as a candidate last month.

The statewide poll, taken from Nov. 1 to Nov. 6 among 283 Democrats and independents who said they plan to vote in the party primary, gave Tsongas 33 percent of the support.

Among the others, Kennedy drew 18 percent, Bellotti and Flynn 12 percent, Murphy 10 percent and Flood 6 percent. Eight percent were undecided.

On the Republican side, the poll showed that former U.S. Attorney for Massachusetts William Weld held a slight lead with 18 percent in a field of four potential candidates in the GOP primary.

Among the other GOP candidates, state Rep. Steven Pierce of Westfield drew 16 percent of support, former U.S. Rep. Paul Cronin had 11 percent and former MDchief Guy Carbone attracted 2 percent.

Boston Globe 11/11

McLean, Mass. General plan Alzheimer's care center

By Larry Tye
GLOBE STAFF

Two prestigious Massachusetts hospitals are developing plans for what could be the country's most comprehensive long-term care facility for patients with Alzheimer's disease.

McLean Hospital and Massachusetts General Hospital hope to collaborate in constructing a $14 million, 150-bed facility on McLean's 242-acre campus in Belmont. The complex would provide services ranging from day care for early Alzheimer's patients to specialized institutional care for those with a terminal prognosis.

"There really is nothing quite like this . . . nothing designed just for the care of Alzheimer's patients," said Dr. Benjamin Liptzin, director of geriatric programs at McLean. "It also would be unique by providing an opportunity for social scientific and biological research to understand what kinds of interventions would help slow the course of the disease or manage it better."

The McLean project is especially timely now, given a study in yesterday's Journal of the American Medical Association predicting that Alzheimer's may afflict more than 10 percent of people 65 and older and nearly 50 percent of those 85 and older. Those figures would make the disease – an incurable and progressive brain disorder that robs victims of their intellect and memory – much more widespread than assumed.

The JAMA study reinforces her view that the McLean facility is "a good idea," said Nancy King, president of the Alzheimer's Association of Eastern Massachusetts, an advocacy group for those who have the disease and their families. "We hope they go ahead with it and we will be there providing all the support we can."

Dr. Denis Evans, lead author of the JAMA study, also was enthusiastic about new approaches to aiding Alzheimer's patients, especially treatments that help them remain at home as long as possible.

The Alzheimer's facility would be built on the northern edge of the McLean campus, which is bounded by Mill Street and Concord Avenue. It would be no higher than three stories tall, which planners say would blend in with surrounding buildings at the psychiatric center.

While most Alzheimer's treatment centers are merely a wing in a nursing home, this one would be devoted entirely to those with the disease and would have more than 100 staffers to care for the 150 patients.

ALZHEIMER'S, Page 29

s from
. Recliners
colors in five
es. All hand-
MAS DELIVERY.
at 50%-70% Off!

spitals plan new Alzheimer's care center

ALZHEIMER'S
Continued from Page 25

A diagnositic center would distinguish those patients with Alzheimer's from people with less serious, treatable ailments. A day treatment program would encourage patients to stay home as long as possible, a respite program would care for patients when family caretakers are sick or away, and an institutional program would tend to patients unable to stay home.

Counseling and support groups would be available for family members. And special facilities would let patients walk around freely and ensure care for those unable to walk, feed themselves or swallow.

Plans for the complex were developed with a grant from the Robert Wood Johnson Foundation, which specializes in innovative health care projects.

The facility has not been approved by the boards of MGH or McLean, sister institutions that share many board members. McLean and MGH are both affiliated with Harvard Medical School. McLean is the largest psychiatric hospital in New England.

Revenue board lowers tax collection projects

Salem news 11/11/89

BOSTON (AP) — The Massachusetts Revenue Department has conceded tax collection projections for this year had to be lowered to $8.8 billion, a figure that pegs the anticipated state government deficit for this year at $720 million or more.

Revenue Commissioner Stephen W. Kidder announced Friday he was formally lowering state tax collection projections for the fiscal year that ends June 30 to a growth rate of 0.6 percent.

That is the same bottom line recommended Monday by the Revenue Advisory Board, an independent panel of a lawyer; a banker and two economists who advise the state on tax collection estimates.

"The RAB's bottom-line estimate for FY90 revenue is in keeping with the conclusion we reached after fully examining October's numbers," Kidder said.

Kidder said he is more optimistic than the board on how much money the state personal income tax will bring in, but feels the sales tax will perform more poorly than the board's estimate.

Tax collections for October fell $35 million below the earlier official estimates and Kidder had warned prior to Monday's board meeting that tax collections were unlikely to meet estimates.

Kidder's decision means the administration of Gov. Michael S. Dukakis is now estimating revenues will be $562 million lower than the state's estimates in July, when Dukakis signed the fiscal year 1990 budget into law.

At that point, Dukakis cut $491 million in spending because he felt the revenue projections used by the Legislature in approving the budget were too optimistic.

Then, on Aug. 15, as tax collections continued to sag, Administration and Finance Commissioner L. Edward Lashman, Kidder's boss, announced he was formally lowering the estimates by $170 million, for a projected growth in tax collections of 5.1 percent.

In October, the Revenue Advisory Board said the state was still $172 million too optimistic, and estimated tax collections would grow 3.2 percent.

Less than a month later, the board met again, and arrived at the 0.6 percent growth rate, which lowered estimated tax collections by $220 million.

The remainder of the projected $720 million plus deficit comes from estimated overspending in some state accounts, primarily in "entitlement" programs such as Medicaid, the program that pays for health care for the poor.

The state cannot budget an exact dollar amount for Medicaid and other entitlement programs because anyone who legally qualifies for benefits must receive them, even if the money has not been appropriated by the Legislature.

hoping
o speak with Krenz, who replaced hard-line leader Erich Honecker Oct. 18 amid an unprecedented wave of public discon- ent, with tens of thousands flee- ng to the West and hundreds of housands demonstrating for reform almost daily.

East Germany's decision to open its borders brought accolades from world leaders, although some expressed caution against too swift a move to reform.

President Bush said he would "seize every chance" to promote democracy in Eastern Europe. Secretary of State James A. Baker III called the lifting of East German travel restrictions "the most dramatic event in East-West relations" since World War II.

In Moscow, Foreign Ministry

WALL

(Continued on Page 23)

PEABODY — Under tight se
curity, the rare and fragile Au
dubon bird prints, insured fo
$1.3 million, were moved Thurs
day afternoon from a locke
vault at the Peabody Institut
Library to the Peabody Museu
of Salem, where they will be re
stored.

At a secret time known only t
a minimum number of peopl
and without any fanfare in th
interest of security, the fou
books of prints were taken by a
unmarked Peabody police va
and police cruiser to the Pea
body Museum.

Albert J. Cohen, president o
the library trustees, said the li
brary carried an insurance po
icy of $1.3 million on the 43
Birds of America prints b
James Audubon, the cost o
which was underwritten by th

Friend testifies Carve

NEWBURYPORT — Three months after the Elliott Chambers rooming house fire, a sobbing James B. Carver said he lit the blaze only "to scare" a tenant who dated Carver's ex-fiancee, according to dramatic testimony given Friday by a key government witness.

Christine M. Coletti was the friend who allegedly heard Carver's confession to the 1984 fire that claimed 15 lives.

Coletti is one of three witnesses expected to testify in Carver's murder and arson retrial that Carver confessed to setting the devastating blaze.

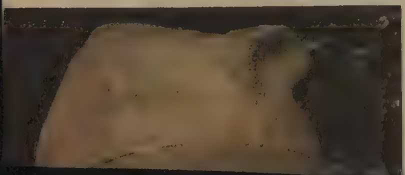
The other two witnesses — who came forward after the first tri
to take the sta
second week in

The mistrial
ing judge, wh
withheld evide

Coletti, the c
to hearing Car
Friday afterno
N. Weiner led C
in October 198
come to his Da

While tearfu

Veteran recalls an armi



HAMILTON — For Benjamin
bert Machon, Nov. 11, 1918 is a da
never forget.

Machon was a 22-year-old serge
the U.S. Army, recovering from
posioning at a field hospital in F
when the armistice that ended
War I was signed.

Boston Globe

A health-coverage shambles

11/11/89

Among the time bombs in the state budget are Medicaid and group health insurance for state employees. By 1991, outlays for these two items will be about twice what they were in 1987. Yet legislators still do not grasp how interlocked medical costs are. Cuts in any form of coverage – Medicaid, Medicare or private health insurance – affect all the others.

Funding health care, in Massachusetts or the nation, depends on all the pieces holding together. With 38 million Americans lacking any coverage (600,000 in Massachusetts), the system functions only if all parties – government, employers and workers -- keep their coverage up. Pushing down health coverage in one area pushes up costs in another.

- Cut Medicaid for poor youngsters, and they show up as emergency cases, their bills shifted into "free care" pools, paid for by insured workers and their employers.
- Trim Medicaid for nursing home patients, and they become backlogged in hospitals; losses for their care translate into higher hospital rates and higher health-insurance premiums.
- Deny coverage to low-income or unemployed workers, and they slip down into Medicaid, adding to taxpayers' bills.
- Underfund or cut Medicare for the elderly, and their unpaid bills shift onto Medicaid or, calculated as bad debt, into the health-insurance premiums of employers and workers.

Medicaid expenses cannot be avoided by not including them in a budget. Taxpayers pay the medical bills of the poor one way or another – as taxes or as inflated insurance premiums.

Some state legislators believe that Medicaid rates would drop if the Welfare Department, rather than the Rate Setting Commission, set the rates for hospitals, nursing homes, home care and mental health centers. But federal law says Medicaid rates must be "fair, reasonable and adequate."

Other proposals would end Medicaid for chiropractic and Christian Science nursing, limit medical visits, and route patients to lower-priced community hospitals. But a prior attempt to selectively assign Medicaid patients – the Commonwealth Plan of former Gov. Edward King – fell apart when the American Civil Liberties Union frowned upon it.

State tinkering with health coverage is passe. As the House-appointed Committee for National Health Insurance says, the current system is "an absolute shambles" that leaves many people unprotected and saddles others with huge costs. Business and workers cannot continue to absorb all health-care costs. Fundamental changes are needed. Patchwork will not do it.

BOSTON GLOBE 11/13/89

Poll: Bay State voters oppose general tax hike

But support grows for higher levies to meet specific budget needs

By M.E. Malone
GLOBE STAFF

Massachusetts voters remain strongly opposed to having their taxes raised to cushion the blow of a $700 million state budget deficit, but they are increasingly willing to consider taxes earmarked for specific items such as education and health care, a recent poll shows.

While the House leadership is expected to introduce a new tax package before the year is out, there has been little discussion of targeting new funds for programs that have public support, a tactic that a poll taken for the Boston Globe and WBZ-TV last week indicates might work.

The poll of 600 registered voters, with a margin of error of 4 percent, shows that while voters strongly oppose increases in the sales, gas and capital gains taxes to help balance the budget, a minimum of 60 percent of voters surveyed said they are more likely to support tax hikes earmarked for education, human service programs, bridge and road work, health care and local aid.

The support for targeted taxes is up by an average of 10 percentage points over responses to a spring poll that asked a similar series of questions.

"What I think the message is, is that if raising taxes is inevitable, as House leaders have said, then they have got to be creative about how they package the taxes and how they educate the public about them," said Gerry Chervinsky, president of KRC Research Communications, a Cambridge firm that conducted the poll.

The House is entering its second week of debate on a $341 million package to cut accounts and raise nontax revenues. House leaders were prepared two weeks ago to introduce an $800 million tax package, but they postponed it in deference to House members who wanted to make further cuts in the state's $12 billion budget.

There is some evidence in the poll that the message by House leaders, the administration and human services advocates that the fat has been cut from the state budget is influencing some voters.

For example, the spring poll showed that just 18 percent of those surveyed believed that enough had been cut from the budget and that taxes ought to be raised. In the recent poll, that number had increased to 27 percent. On the other hand, 60 percent still would prefer to see more budget slicing rather than increased taxes.

POLL, Page 9

lica ca
rk becau
act Mothe

ps, including
f Birmingham,
e up for Mothe
es now seem to
brush with
twork.

. Voters ject general ax increase

POLL

Continued from Page 1

In addition, voters are evenly split on a measure proposed for the 1990 ballot that would lower the state's income tax by the same amount it was raised in July. The measure also would roll back Massachusetts Bay Transportation Authority fare hikes, water and sewer rates, and other state fees raised since July 1988.

Forty-four percent said they favor the petition, and 40 percent oppose it. With a 4 percent margin of error in the poll, Chervinsky said it is a clear split. Sixteen percent said they had no opinion on the petition.

"Clearly, some people want to see their taxes lowered, period. But others understand that it will only cause more problems," he said.

Of the tax increases under consideration by the House leadership, only the so-called sin taxes on alcohol and cigarettes are supported by a majority of voters, according to the poll. Hikes in the sales tax are opposed by 67 percent of the voters, the gas tax by 62 percent, the capital gains tax by 56 percent and taxes on professional services by 83 percent of those surveyed.

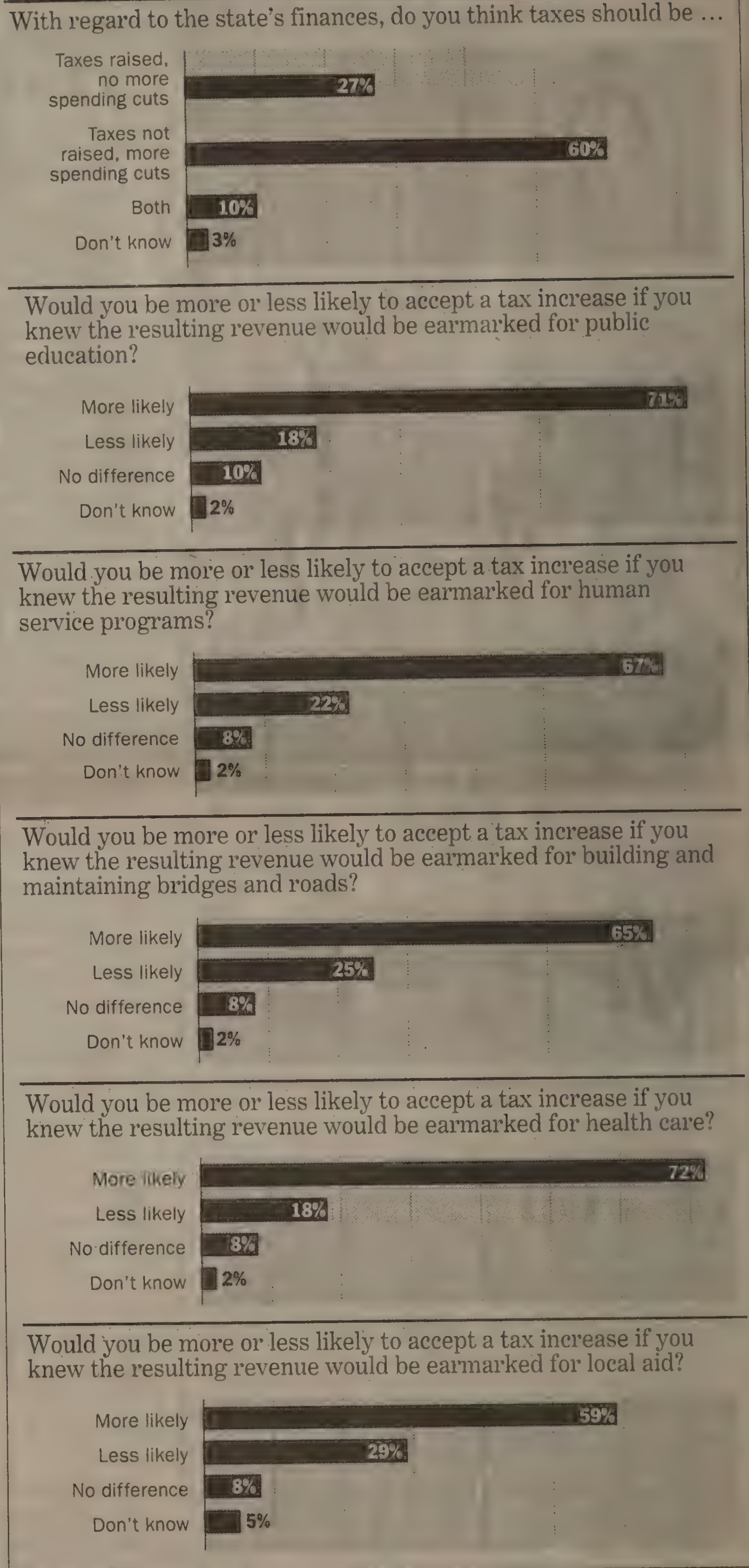
However, when asked if they would be more likely or less likely to agree on new taxes specifically for education, 71 percent said they would be more likely to support such taxes. If the money were to be used for human service programs, 67 percent said they would be more likely to favor the taxes. Building and maintaining the state's roads and bridges drew a 65 percent favorable response; health care drew a 72 percent favorable response; and 59 percent would favor tax increases for aid to cities and towns.

The spring poll also showed support for earmarked taxes, although the numbers in favor of setting aside funds for education, health care, human services and local aid have grown considerably since then.

Although they favor more state taxes for local aid, voters are decidedly unwilling to alter Proposition 2½ or allow municipalities to raise other kinds of local taxes to deal with the budget crunches on the city and town level.

Except in Suffolk County, where Boston Mayor Flynn has been vocal about his desire to raise special taxes in the city, voters reject by a 57-33 margin the notion of altering Proposition 2½, which limits annual property tax increases, and by a 56-35 margin reject allowing municipalities to impose other kinds of local-option taxes.

Public attitudes on state finances and earmarking taxes



With regard to the state's finances, do you think taxes should be …

Would you be more or less likely to accept a tax increase if you knew the resulting revenue would be earmarked for public education?

Would you be more or less likely to accept a tax increase if you knew the resulting revenue would be earmarked for human service programs?

Would you be more or less likely to accept a tax increase if you knew the resulting revenue would be earmarked for building and maintaining bridges and roads?

Would you be more or less likely to accept a tax increase if you knew the resulting revenue would be earmarked for health care?

Would you be more or less likely to accept a tax increase if you knew the resulting revenue would be earmarked for local aid?

NOTE: Sample based on 600 registered voters.
SOURCE: KRC/COMMUNICATIONS RESEARCH

Pols call for Duke to quit

Salem News 11/11/89

A News staff report

Peabody Mayor Peter Torigian Friday called on Gov. Michael S. Dukakis to "exit gracefully" from office in order to help bring an end to the state's fiscal crisis.

Noting that the public feels "disenfranchised" and "angry" at state government, the Peabody mayor said, "there has to be a diffusing of all this anger" in order to win support for solutions to the budget morass.

"There has to be some rational thought brought back to the whole process. I don't think you can do that unless the guard is changed."

He said the only thing that could restore the governor's credibility might be a turnaround in the slumping economy. "But I don't think it's going to happen," Torigian said.

Torigian said he believed Dukakis' personal problems gave the governor the opportunity to make a graceful bow from the political stage.

"No one can fault him as far as I'm concerned for saying his family needs his full attention.

"Personally, I'd like to see the guy exit as gracefully as possible. He's been governor for 12 years and in that time done a lot more than most public officials do in a lifetime. . . . He should be able to go out with some dignity," Torigian said.

Torigian's comments came amid speculation that the governor might leave office in the wake of the health problems besetting his wife and mother. Kitty Dukakis was hospitalized this week after suffering a "severe reaction" to drinking rubbing alcohol. Her doctor said Mrs. Dukakis was exhausted and suffering from flu-like symptoms and depression when she consumed the liquid. The governor's mother, meanwhile, was hospitalized this week after suffering from fainting spells.

Dukakis' press secretary, Mindy S. Lubber, said Friday that the governor had no intention of resigning.

RESIGN
(Continued on Page 8)

RESIGN

(Continued from Page 1)

"I'd be very surprised if Mr. Torigian really meant the governor should step down. They have a good relationship. I presume he realizes they'll be working together the next 14 months. He (Dukakis) has no intention of even considering stepping down," Lubber said.

At lease one North Shore lawmaker concurred with Torigian. Rep. Forrester A. Clark, R-Hamilton, said that if Dukakis were to remain in office, over the next 14 months he would have to preside over the "dismantling of a great deal of the government services he set up. I would think it would be very painful for him."

He said Lt. Gov. Evelyn F. Murphy, who would succeed Dukakis should he resign, might be in a better position to make the cuts. Sen. Frederick E. Berry, D-Peabody, hinted of that, too, though he stopped short of calling for Dukakis' resignation.

"It's hard to judge the impact of Evelyn and what kind of credibility she'd bring. But she'd have a new group. At least there'd be the perception of a 'sweeping clean,' " Berry said.

But other lawmakers, including sharp Dukakis critics, said they did not think the governor should quit, unless personal considerations dictate it.

"You don't change jockeys in the middle of the race," said Rep. J. Michael Ruane, D-Salem. "I just feel somewhere we'll work this out," referring to the budget crisis.

"He should stay and ride it out," agreed Senate Majority Leader Walter J. Boverini, D-Lynn. "He's got all his own players in position. They're the people who I think are obligated to work with the legislature."

Boverini said it would be difficult for a newcomer "to step in now" and try to untangle the fiscal snarl.

"As far as any benefit to the commonwealth, I don't see any great advantage to it," said Rep. Thomas P. Walsh, D-Peabody, of a Dukakis departure. "By the time Lt. Gov. Murphy puts an administration together, we'd be well into next year. That won't alleviate the problem we have now."

"Life is chaotic enough now in state government to add the added chaos of a new administration coming in," agreed Rep. Lawrence R. Alexander, D-Marblehead.

Rep. Frances F. Alexander, D-Beverly, did not take a position on what Dukakis should do, but noted that his decision to resign might, if anything, aggravate the emotional problems for his wife. "It would probably increase her feeling of guilt and despair."

On the other hand, Alexander said that if Dukakis were to leave office, it would help the Democratic party and, in particular, Murphy.

Salem News 11/11

House advances deficit reduction bill

BOSTON (AP) — The Massachusetts House has given initial approval to a bill to reduce the state's $720 million deficit, but lawmakers say spending would have to be cut much deeper if a tax increase is to be avoided.

The bill, advanced late Friday on a 146-3 vote, totalled $401.4 million in savings, cuts and non-tax revenues when it emerged from the House Ways and Means Committee on Monday.

Estimates of the additional savings on the House floor ranged from about $20 million to a high of $50 million.

House Speaker George Keverian, D-Everett, said the Ways and Means staff would have to review the floor amendments before a reliable savings figures could be determined.

"A lot of these things don't have a really good dollar savings," Keverian said.

House Republican Leader Steven Pierce, R-Westfield, said he was pleased with the action this week, but more cuts needed to be made to avoid new taxes.

"There is a long way to go, but is the task impossible? No," Pierce said.

Keverian said many additional amendments would be offered when debate resumes on Tuesday and that he hoped to send the bill to the Senate by the end of the week, but cautioned he could not predict accurately when debate would end.

Rep. Robert Havern, D-Arlington, a rank-and-file legislator who has taken a lead role in the efforts to balance the budget, said he doubted enough could be cut by the House to eliminate the deficit.

"The rest of the amendments aren't substantive enough to double this, so we may get to $80 to $90 million," said Havern, who estimated the additional savings already added on the House floor at $40 million to $50 million.

No big-ticket cuts were approved Friday during nearly 12 hours of debate.

The most significant reductions were $3.5 million trimmed from the universal health care program by Rep. Peter Forman, R-Plymouth.

The House also voted to prohibit the state Lottery, if it wins approval to start a sports betting game, from including Massachusetts-based pro teams.

That would remove the New England Patriots from a football lottery that is expected to win approval from lawmakers for the next National Football League season.

The House also accepted a plan to force independent state authorities to roll back the level of workers to the number they had on Jan. 1, and beat back an effort to delay a part of Gov. Michael S. Dukakis' universal health insurance law.

Representatives also soundly defeated a proposal to kill the Boston Central Artery-third harbor tunnel highway project and to eliminate the Massachusetts Turnpike Authority when bonds for the toll road are retired.

The Patriots had opposed the football betting plan, and the amendment to a budget-balancing package from Rep. Stephen Karol, D-Attleboro, and Keverian would prohibit legal gambling on any Massachusetts-based sports teams.

ACS PRESIDENT NAMED: Anthony J. Piro, M.D., a radiation oncologist at Salem Hospital and a resident of Lynnfield, was recently named president of the American Cancer Society's Massachusetts Division.

Bev Times 11/9

Dr. Piro was elected to a two-year term at the Oct. 11 meeting of the society's Massachusetts Division board of directors. As division president, he will provide leadership to volunteers and staff and oversee the society's cancer control activities within Massachusetts.

Dr. Anthony Piro

Dr. Piro chairs the American Cancer Society's Massachusetts Division strategic planning committee, which addresses questions of recruiting, training and retaining a strong corps of volunteers, serving underserved populations, and meeting the needs of cancer patients in light of the changing health care system.

Dr. Piro is a consultant in radiation oncology at Addison-Gilbert Hospital in Gloucester, Beverly Hospital, Hunt Hospital in Danvers, J.B. Thomas Hospital in Peabody and Shaugnessy Chronic Disease Hospital in Salem.

SPEAKER FEATURED: Jeremy J. Nobel, M.D., M.P.H., director of analytical and consultative services for WORKWell Occupational Health Services in Peabody, was a featured speaker at the Third Annual National Disability Management Conference held recently.

Bev Times 11/9

The two-day educational conference brings together professionals from several Fortune 500 companies, major insurers and government agencies. A variety of informational workshops are offered to help them minimize the effect of employee disabilities.

Dr. Jeremy Nobel

Dr. Nobel's presentation discussed ways to manage the industrial burden of workplace absenteeism. His discussion addressed prevention and intervention strategies, effective communication and management systems and other key factors associated with decreasing the incidence, cost and severity of workplace disability.

As director of analytic and consultative services for WORKWell, Dr. Nobel is active in the development of services designed to improve workplace health and safety including health promotion, workers' compensation management and rehabilitation.

Pedestrian struck while crossing Bridge St.

Bev Times
11/9/89

By VIRGINIA LOWRY
Times staff

BEVERLY – A 44-year-old Beverly man was seriously injured late yesterday when he was struck by a car while crossing Bridge Street.

A Beverly Hospital spokeswoman said this morning that Stephen A. Hnatowicz of 39 Rowell Ave. was in serious condition in the intensive care unit. Hnatowicz is being treated for a head injury.

Patrolman Richard Moody arrested the driver of the car that struck Hnatowicz, Sean C. Degan, 25, of 32 Chase St., Danvers. Degan was charged with driving after revocation of his license.

According to Degan and several witnesses, he was driving his 1988 Mitsubishi west on Bridge Street, towards Danvers, when the accident occurred at about 5 p.m.

Degan and the witnesses said the Mitsubishi was traveling an estimated 20 to 25 miles an hour in an area near 51 Bridge St. that Moody said is posted at 30 miles an hour. Moody said traffic was moderate to heavy and the road was wet, with light rain falling.

Degan told Moody he had pulled around a car that was turning left onto Kernwood Avenue and was in second gear, when he heard a thump. He first spotted Hnatowicz when his face smashed against the driver's side of the windshield. He then saw the victim's legs go into the air as he rolled over the top of Degan's car.

When Degan stopped, Hnatowicz was lying facedown on the double solid line in the middle of the street, about 10 feet behind the Mitsubishi. Degan ran into the nearby Simpson's Package Store and asked a clerk to telephone for police and an ambulance, then ran back outside to help a bystander who was direct-

Pedestrian, page A12

on Bridge St.

According to police, Hnatowicz, who is mainte-
ance director at Revere Aviation at Beverly Airport,
as a physical condition which restricts side-to-side
ovement of his head.
Moody said police concluded that Hnatowicz appar-
tly got out of his van, began to cross the street and
d not see Degan's car. He said the accident was an
parent result of the injured man's physical handi-
p, weather conditions and darkness.

Hnatowicz was dressed in dark clothing and was
t in a crosswalk, said Moody.

CAR WASH HELPS HOSPITAL: On Saturday and Sunday, Nov. 18 to 19, $1 from every car washed at Turnpike Car Wash, Route 1, Peabody, will be donated to Children's Hospital, Boston.

Customers may also enter to win prizes such as: a cruise for two to the Bahamas, free car washing for one year or complete auto detailing. This Children's Hospital benefit is sponsored by participating members of the New England Carwash Association (NECA) and WBZ Radio. Bev Times 11/9

Hospital has cancer screening

Ips. Chronicle
11/8/89

A free colorectal cancer screening will be held in the outpatient department of Beverly Hospital on Nov. 15, from 4-7 p.m.

Participants will receive a take-home testing kit and full instructions on how to use the kit at home. The kits will be returned to the Beverly Hospital laboratory where test results will be determined. The kits are being provided by the American Cancer Society.

Walk-in participants are welcome, but pre-registration is advised by calling the Beverly Hospital Community Relations Department at 922-3000, extension 2480.

SKIN CANCER CLINIC: A free skin cancer clinic will be held at the Cable Emergency Center on Monday, Nov. 13, from 5:30-8 p.m. Pre-registration is required.

Anyone who is concerned about a mole or other skin abnormality may attend the clinic.

The clinic's purpose will be to determine whether any treatment is necessary. Examinations will be conducted by Sharad Chitre, M.D.

To arrange for an appointment, call the Community Relations Department, at 922-3000, Ext. 2480. The Cable Emergency Center is located at the intersection of Routes 1A and 133, at 126 County Road in Ipswich. All area residents are welcome to attend.

Bev Times 11/9/89

Senior activities center moves closer

~~BE~~ SALEM news 11/9/89

100 architects submit proposals

BEVERLY — A proposal to build a senior activities center at Heather and Colon streets moved a step closer to completion Wednesday, when members of the Senior Center Building Commission began screening applications from architects who want to design the building.

The commission met at 2 p.m. to open more than 100 applications, and will spend the next six weeks selecting three firms which commission members will present as finalists to the aldermanic Committee on Public Service and Aid.

Chairman Nicholas E. Tilas said the commission will pay particular attention to the amount of experience firms have had in designing senior centers.

"We want to see what they have done in designing buildings that meet the needs of older people," Tilas said, "and we will also be looking at their general experience."

Linda Craigin, a member of the commission, noted that it will not be necessary for the architectural firms selected as finalists to submit formal bids.

She said once the firms are presented to the Public Service and Aid committee, the aldermen will be able to negotiate with the firms on a fee for designing the building.

She said the preliminary screening will reduce the number of applicants to no more than 10 firms. Representatives from the 10 companies will meet with commission members before the three finalists are chosen.

Craigin said commission members intend to let the architects know that people in Beverly want to have some input in the design of the building.

The commission was appointed by Mayor F. John Monahan to design a senior center to be built on land given to the city for that purpose by officials at Beverly Hospital.

The city has won a state grant of $1.5 million to help build a senior center, but members of the commission and officials at the Council on Aging expect the project will cost more than that. Personnel at the COA anticipate having to raise $500,000 or more to build a center they feel meets the needs of older Beverly residents.

They noted they are pleased with the location of the land, because it is in the approximate geographical center of the city and close to a neighborhood where large numbers of older people live. There are three housing complexes for elders and four nursing homes within about a half mile of the location.

Monahan listed the senior center as one of his priorities for capital programs he hopes to see completed during his next term.

Presently, Council on Aging activities are centered in the GAR Hall on Dane Street. Cramped quarters there, including lack of any place for elders to meet privately to discuss problems with advocates who might help them, have prompted calls for construction of the senior center.

Looking to the fourth term

Salem news 11/9/89

Library, water tower, new senior center top Monahan's priority list; he'll consider leasing police station building

A News staff report

'People choose to live here because it is a lovely place, and because they feel it is a nice place to raise a family and educate their children.'

Mayor F. John Monahan

BEVERLY — Mayor F. John Monahan has vowed his best efforts to maintain fiscal stability for the city as the first goal of his fourth term that will begin in January.

Within hours of becoming the first person to win a fourth consecutive mayoral term since the late Thomas J. Wickers Jr., who held the corner office from 1958 through 1965, Monahan said he will be closely watching the financial situation at the state level during the next few months. He's prepared to take whatever action is needed to keep the city fiscally sound.

The mayor said despite the serious money problems on Beacon Hill, he is confident Beverly can continue to provide its people with the services they need and expect.

Monahan also said he will be working to see a number capital improvement programs completed within the next two years. He put the construction of a new library, a water tower and a senior center at the top of his priority list. He added he will also be looking to find new quarters for the Police Department.

He said during trips through city neigborhoods during the election campaign, he saw a number of locations where he feels the city can improve traffic safety.

On a new police station, the mayor said he is looking into the possibility of leasing a building for a police headquarters instead of constructing a new station from scratch, and he has seen one on Sohier road that he feels might meet the department's needs.

"There are a lot of legal questions, to be answered," Monahan said, "but I feel it is an option we should consider, and I have asked our legal department to check out the legal ramifications. I will also look into leasing a building with an option to buy."

Monahan this fall rejected the recommendation of his appointed study committee to build a new police station behind Memorial Middle School. Police Chief John J. Finnegan, who has often been at odds with Monahan, says his department desperately needs to vacate its cramped quarters adjoining City Hall.

Concerning traffic safety, the mayor said he feels the city should take steps to improve safety in the areas of the North Beverly Fire Station, at the entrance to the North Beverly Plaza, and on Elliott Street near Beverly Hills Avenue. He said he saw a number of minor accidents as well as some near misses at those locations while he was campaigning.

He said he plans to discuss the safety in those areas with administrtors in the Police Department and the Department of Public Works.

"I think we can come up with a comprehensive plan to improve safety in Beverly," Monhahn said.

He concluded that he intends to live up to his campaign promise to protect Beverly neighborhoods.

"Beverly is primarily a residential community," he said. "People choose to live here because in is a lovely place, and because they feel it is a nice place to raise a family and educate their children."

He said he will continue to support education in the city, although he called during the campaign for the mayor to be removed as a voting member of the School Committee.

us; Shirley Mark, Asian-
orkshop consultant; Leon-
director of the Anti-Defa-
Stacey Langevain, a former
History and Ourselves pro-

NE
..
TURDAY,
RANS' DAY,
RS: 9:30 A.M.
30 P.M. IN R.I.;
9:30 P.M. IN
MASS.
RY
LAR
9:30 P.M.
0/0 OFF
REGULAR PRICES

Board told road conditions pose danger to children

A News staff report

MARBLEHEAD — A group of about 20 Eveleth School neighbors attended Wednesday night's selectmen's meeting to demand, for the school children's sake, that a paved sidewalk and curb be installed across from the school on Brook Road and that no parking be allowed in front of the school.

Representing the group, Stephen H. Quigley of 10 Leicester Road told selectmen when cars are parked on either side of Brook Road, there remains only an 8½-foot span on the street for vehicles to pass, making it difficult for fire trucks to squeeze by.

Furthermore, Quigley said, on the westerly side of Brook Road, opposite the school between Leicester Road and Rose Avenue, hedges protrude over a grass area that borders the street. He said when vehicles are parked along the hedges, children are forced to walk around the cars and onto the street enroute to and from school.

"There's an increasing enrollment of elementary school children and busing does not exist ... It's physically impossible for parents to walk their children to school all the time and we're concerned about the children's safety," Quigley said. "People are going to park as close as they can to the school on Brook Road," he added.

Among the proponents of the request that a sidewalk be installed on both sides of Brook Road and that no parking be enforced in front of the school, was Eveleth School Principal Thomas Getz.

"There's nowhere for the kids to walk ... I fully support the no-parking idea and ideally, that a sidewalk be installed," he said.

Residents had brought these traffic matters to the attention of selectmen once before, in a letter to the board in September, but selectmen referred the letter to Traffic and Safety Advisory Committee Chairman Sherman Eidelman, who in turn discussed the matter with the police chief and determined that no safety problems existed.

Selectmen took no action on the letter.

"This is not something brought to your attention by only one set of parents," Quigley said.

Eidelman, after listening to the residents, most of whom have children enrolled at Eveleth School, apologized for not studying the matter more closely and supported the proposals for sidewalk construction and no parking in front of the school.

"Seeing the outcry and further correspondence tonight, that enough people are concerned about the children's safety in the area, I recommend that there be no parking (in front of the school) between 7 a.m. and 7 p.m.," Eidelman said to the selectmen.

Selectmen approved the recommendation and ordered no parking be enforced on this portion of Brook Road for a 60-day period. In addition, Selectman Arnold W. Alexander motioned that the town engineer survey the area of the hedges and if they encroach on town property that appropriate action be taken to remove them. The motion was approved.

Regarding the request for the sidewalk, Selectman John E. Whipple told the group the board can only recommend that a sidewalk be installed, but that it's the Surveyor of Highways that has the authority to approve or reject the request.

Alexander, nevertheless, said the board will find out if there are enough funds in the Highway Department budget to install a paved sidewalk, and that the group will be informed next week as to whether or not this will happen.

Skateboard crackdown ordered

A News staff report

MARBLEHEAD — Selectmen,

frustrated when the bylaw was rejected by town meeting voters.

school department conduct a student assemblies to warn about

Cities facing shortage of doctors

BEV
Times
11/9/89

SPRINGFIELD (AP) – On a recent weekday in Springfield, one pediatrician treated 109 patients. His normal caseload is 40 to 50.

"There were a lot of sick kids that day," his nurse explained. "There seem to be more all the time, and we keep inching up." Across town, a nurse in an internal medicine office attempts over the telephone to determine which sick patients absolutely must have an appointment.

"It frightens me what we're doing over the phone," she said. "The legal implications keep me awake at night."

A couple in their late 20's has learned, through a home pregnancy test, that their first baby is on the way, and they think the baby is due in February.

When they called the three obstetricians their friends recommended, they were told one is no longer delivering babies, one retired in June, and the third is taking no new patients. The next two doctors they called could not see them before November.

More than a third of the internists and a fourth of the obstetricians in Springfield have stopped taking new patients, a survey by the Sunday Republican has found.

One in five pediatricians in private practice in Greater Springfield has stopped taking new patients. Of the 30 who still will, six will only take on newborns, and one requires a referral from another doctor.

Interviews with doctors over the past three months show that a growing shortage of "primary care" doctors exists throughout Hampden County, and in Franklin, Berkshire and Hampshire counties as well, often forcing physicians into the precarious position of treating patients over the telephone.

There are several explanations, but most of those interviewed spoke of an unfriendly state government and what one doctor called "the greying of the ranks."

As older doctors retire or leave the area they are not being replaced by young medical school graduates. "Many of us are trapped," he said. "I have three children still in school here. I can't go anywhere."

"We've tried to recruit," Dr. Bruce VanBoeckel of Montague said. "You tell people, 'Massachusetts' and they just laugh."

"It's a real mess," a spokesman for an Agawam pediatric practice said. "Nobody wants to come to Massachusetts, and the ones here are leaving."

Dr. Edward Reiter, pediatric endocrinologist and chief of pediatrics at Baystate Medical Center, said he has seen the problem develop.

"We've had administrators here at the hospital tell me they can't get an appointment. I've given people a list of four or five pediatricians and told them,' Tell them I said to call,' and that's worked so far, but you can only do that so often, even when you're the head of the department."

Although most of the doctors interviewed said they would "squeeze in" emergencies, many are frightend by the implications of fewer doctors caring for more patients, and say the situation is becoming worse.

"It's pretty nightmarish," one Western Massachusetts internist said. "I'm working as hard as I can already, probably harder than is good for me."

"It's tight. It's miserable," Springfield internist Dr. Patrick Coghlan said. "There are a lot of people floating around who need doctors and don't have them."

"We had to put the clamps on. Family members, people who work at the hospital – they twist an arm and I take them. But it's a real squeeze. It's been tight for a year, maybe longer. I think that we were running on reserve for a while but didn't know it. Then with (doctors) leaving, retiring, dying – a lot of patients have suddenly been spun loose."

"I'm afraid we're headed for a bad crisis in Springfield," a nurse said. "Our office has a very hard time fitting in emergencies now. There are just too many sick people out there, and too few doctors.

"It's a very, very dangerous situation. My biggest fear is that someone will call, and something terrible will happen an hour later."

Secord pleads guilty to lying to investigators

By PETE YOST
Associated Press Writer

WASHINGTON – Retired Air Force Maj. Gen. Richard V. Secord pleaded guilty yesterday to one count of lying to congressional investigators in the Iran-Contra scandal.

Secord had been scheduled to go on trial next Monday on 12 criminal charges, nine of them stemming from his testimony to Congress in 1987.

But at a pretrial hearing, Iran-Contra prosecutor Reid Weingarten announced that the government and Secord's lawyers had negotiated a plea agreement. The 11 other criminal charges against Secord are being dismissed.

Secord agreed to "cooperate fully" with Iran-Contra prosecutors "by testifying truthfully at any trial . . . to which he may be called," according to the plea agreement.

He could become a government witness against former national security adviser John M. Poindexter, whose criminal trial is scheduled to begin Jan. 22.

that led to his false statement. Secord said his answer was "a misguided effort to prevent further criticism," noting that there had "already been a firestorm in the press" about who paid for North's security fence.

Secord said "I was trying to shield both of us" when he lied about North's fence in his deposition to the congressional investigators.

Secord could be sentenced to up to five years in prison.

Secord's profits for his work on the administration's Iran arms sales and assisting the Contras "exceed $1.5 million," prosecutors said in a recent court filing. Secord had been called into both initiatives by North.

The government presented a document listing the evidence it would have presented at Secord's trial in support of the charge to which he pleaded guilty.

The document stated that in addition to Secord paying for the fence, there was an attempted cover-up of who paid for the fence through the use of backdated documents.

Secord's attorney, Thomas Green, objected to that portion

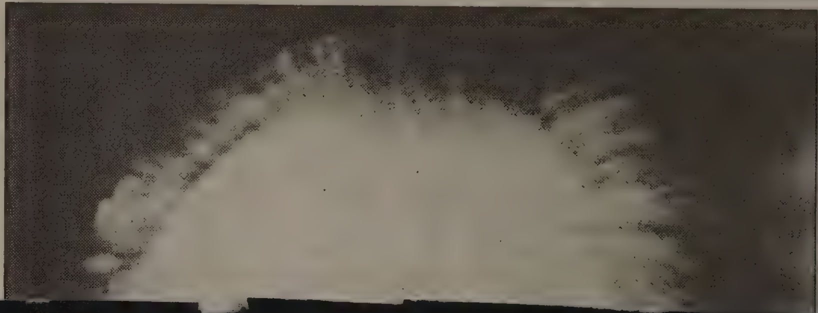
Deng resigns China post

BEIJING (AP) – Senior leader Deng Xiaoping has resigned from his last Communist Party post, as head of the powerful military commission, clearing the way for his chosen successor to assume undisputed power after his departure.

Deng, 85, was replaced by the protege, 63-year-old Communist Party chief Jiang Zemin as head of the Central Military Commission

Yang, a hard-liner, reportedly sought to solidify his place in the post-Deng era by winning the chairmanship, but other senior party members apparently felt the post should be given to Jiang.

Yang was one of the principal leaders behind the decision to declare martial law in Beijing and bring in troops to crush the pro-democracy movement. Soldiers



House cuts budgets for Murphy, one agency

BOSTON GLOBE 11/9

By Bruce Mohl
GLOBE STAFF

A frenzy of budget cutting fizzled away last night as the House spent hours debating largely symbolic cuts in the Legislature's own $48 million budget.

After initial votes to slash $100,000 from Lt. Gov. Evelyn Murphy's office budget and $232,000 from the budget of the House's research bureau, amendment after amendment to make further cuts in the Legislature's budget were defeated handily.

The action came at the start of what is expected to be a lengthy debate in the House on a $341 million budget-balancing package of spending cuts and revenue initiatives. The plan includes $1 million in legislative cuts, but many lawmakers, primarily Republicans, tried to make deeper cuts last night.

House Speaker George Keverian kicked off the debate by inviting members to offer proposals to cut spending, but he strongly indicated he believes taxes will eventually be necessary to close a state budget gap currently pegged at $730 million.

'I believe we can close this gap without higher taxes.'

REP. STEVEN PIERCE

"'At the end of the process, if the cuts have been made and there is still a deficiency, then there is no responsible action other than to fill that remaining gap with new revenue," Keverian said. "We certainly don't have $400 million more that we can cut."

House Minority Leader Steven Pierce (R-Westfield) said the Legislature must close the budget gap with spending cuts, rather than new taxes, to restore credibility in government and prevent the state's economy from slipping further into recession.

uts

said Massachusetts resi- are paying more than $1 bil- on in additional taxes and fees because of recent actions by state government. "I believe we can close this gap without higher taxes," he said.

The first amendment to the Democrats' package of spending cuts and revenue initiatives was designed to cut Murphy's $564,548 office budget by $100,000. Filed by Rep. Peter Torkildsen (R-Danvers), himself a candidate for lieutenant governor, the measure passed 107-47.

The House then approved, 87-67, an amendment to cut the Legislative Service Bureau budget from $982,000 to $750,000. The bureau has made headlines in recent years for employing former lawmakers who do little or no work.

But, after the two amendments passed, sentiment for additional cuts waned. A proposal to trim funding for an account that pays the salary of the House photographer was rejected 111-39, with Democrats pointing out that House Republicans use the photographer's services 54 percent of the time. Other measures to cut House personnel budgets also were defeated.

Rep. Angelo Scaccia (D-Boston) spoke against the amendments, noting how ludicrous it was for the House to spend hours debating amendments totaling just thousands of dollars when debate on the $2.2 billion Medicaid account will probably take minutes. He said Medicaid is rarely scrutinized because few lawmakers understand it.

Yet Rep. Frank Hynes (D-Marshfield) said a series of small cuts will eventually add up to a large chunk of money. He said he favored trimming legislative personnel at a time when the state is cutting back services for the homeless and others in need.

"If we're not going to make tough choices in our own accounts, how will we deal with the larger problems?" Hynes asked.

Earlier in the day, nearly 300 advocates for a variety of human service groups rallied outside the House chamber to protest planned budget cuts. "These cuts are wrong, wrong, wrong," said Su[illegible] Marsh of the Coalition for the Homeless.

11/9 Salem news

Torkildsen leads fight to slash state budget

Danvers Republican's amendment axes $100,000 from lt. governor's office

BOSTON (AP) — State Rep. Peter Torkildsen, R-Danvers, who hopes to occupy the lieutenant governor's office himself one day, succeeded in getting the budget for that office cut by $100,000 Wednesday as the House opened debate on a new deficit-reduction plan.

Torkildsen's amendment was one of only two accepted by the House during Wednesday's session, which went well into the night. When debate ended, the House had adopted $332,000 in additional cuts and rejected thousands of dollars in others. The new cuts will become part of a $401.4 million package aimed at easing the deficit.

A move by Torkildsen to close the Washington-based Office of Federal-State Relations on Dec. 1, instead of Jan. 1, was defeated 117-14.

Debate resumes today on the plan aimed at least partly to bring Massachusetts state government into the black.

The deficit is now pegged at more than $720 million and House Speaker George Keverian, D-Everett, said he doubts enough money could be trimmed to avoid a tax-increase plan later on.

But House Republican Leader Steven Pierce, R-Westfield, whose troops offered Wednesday's cutting attempts, said he still believes the budget could be balanced without higher taxes.

The cuts accepted included $232,000 from the legislative Service Bureau and $100,000 from the lieutenant governor's office.

The rejected cuts included $635,000 from legislative spending and a plan to save $212,000 by eliminating the state labor secretariat and its staff.

Both of the cuts accepted were offered by Republicans, as were all the rejected amendments. Several Democrats planned to offer cuts when debate resumes.

Democratic leaders mounted a strong offensive against the GOP cuts after two, including Torkildsen's, were accepted before a dinner break.

The House also rejected a proposal, which would have taken effect next year, to eliminate an $84 million state scholarship program.

The House wound up Wednesday's debate at 10:40 p.m., after about six hours.

Rep. Angelo Scaccia, D-Boston, vice chairman of the budget-writing House Ways and Means Committee, said Republicans were trying to cut too deeply into the legislative accounts and said one cut would eliminate the House photographer, used by Republicans as well as Democrats.

Keverian took to the floor to open the debate.

He said polling shows that Massachusetts citizens want services continued for the needy, the elderly, for education and public safety.

"I am firmly convinced the people of this commonwealth want to have these services continue," Keverian said. "It's clear when asked the question do you want more taxes, the answer is no. If asked are you willing to pay more taxes for the needy, the poor, the elderly, the answer is yes."

Keverian's tax view is shared by the Senate's chief budget writer, Sen. Patricia McGovern, D-Lawrence, chairman of the Senate Ways and Means Committee, who said in an interview that there is an "inevitability" to taxes this year.

But Pierce said the problem could be solved without taxes.

Pierce also questioned the latest deficit estimate, made by a board appointed by Gov. Michael S. Dukakis, and said it could be deliberately pessimistic as part of the administration's efforts to get higher taxes.

"This year I can't help but think they are rushing to offer as gloomy a picture just as this Legislature is beginning to ponder a tax increase," Pierce said. "I have serious questions about the Revenue Advisory Board."

Pierce said that although the fiscal crisis is unprecedented, "I believe we can close this gap without new taxes."

The package presented to the House by its Ways and Means Committee would reduce the deficit through a combination of cuts, savings and non-tax revenues.

The committee's package inlcuded $130.4 million in spending cuts, primarily in administrative spending, $88.7 million in program cuts, and $122.3 million in non-tax revenues, such as a $46 million plan to require beer and soda wholesalers to hand over to the state bottle and can deposits unclaimed by consumers.

BOSTON GLOBE 11/9/89

Compromise on catastrophic care legislation seen likely

By Nicki Weisensee
SPECIAL TO THE GLOBE

WASHINGTON - For the first time since the House and Senate began their standoff over catastrophic health insurance, compromise was in the air yesterday.

Rep. Brian Donnelly, the Massachusetts Democrat who led the repeal movement in the House, said he may sign on to a proposal that would make the program mandatory for next year and voluntary after that.

House and Senate conferees are scheduled to meet today to begin hammering out a compromise.

The standoff emerged when the House voted overwhelmingly on Oct. 4 to repeal the catastrophic health insurance law, while on Oct. 6 the Senate voted 99-0 to save portions of the legislation.

The Senate bill, sponsored by Arizona Republican Sen. John McCain, eliminated a controversial surtax on the wealthiest beneficiaries and three of the largest benefits of catastrophic care insurance – prescription drug coverage, skilled nursing home care and doctors' expenses – while retaining some lesser benefits.

Donnelly's comments yesterday provided the first indication that he or any of the repeal advocates are willing to compromise with the Senate.

Previously, Donnelly had said he could not support McCain's proposal because it did not deal with the problem of duplication of benefits. As many as 30 percent of the 35 million beneficiaries have already paid for, and are receiving through private insurance, many of the same benefits included in the catastrophic health insurance law, he said. The catastrophic insurance plan was passed overwhelmingly in the House and Senate 14 months ago. Therefore, if McCain's proposal called for voluntary participation in the insurance plan, he would support it, he said.

However, McCain has said if participation were voluntary, many people may not buy catastrophic health insurance. This would mean the program could not be financed by its own premiums as he intended.

Later in the day, Donnelly gave his first indication that he was willing to back away from total repeal and had a counteroffer to McCain's proposal. In addition to making the program mandatory for one year and then voluntary, Donnelly also suggested adding coverage for doctors' bills.

House Speaker Thomas Foley yesterday added his voice to those predicting the standoff between the House and Senate chambers is would be short-lived. Said Foley, "I think there will be some compromise."

Southern California faces the growing menace of garbage

By Bill Girdner
SPECIAL TO THE GLOBE

LAKE VIEW TERRACE, Calif. – A mountain grows daily in a rural community north of Los Angeles, a mountain that fouls the air and blocks the setting sun.

Across a canyon of live oak and blue sage, Robert Zapple stood on a promontory and raged against it. "Millions of tons of trash will come pouring down this canyon and into the houses of Lake View Terrace," he said.

Rains two years ago caused a flood of garbage that blocked roads in the town for two days, and diapers and cans still litter the canyon the flood rushed through.

"They're unsupported mounds of trash," he continued as bulldozers and garbage trucks run along the rim of what looks like an earthen dam. "If there's a small earthquake and any kind of rain, those things are going to slide. Is this responsible management of a dump?"

Los Angeles, a behemoth of consumption, is also a champion producer of trash. Its residents generate four pounds of trash per capita per day, according to a report by a California policy commission, a greater amount than anywhere in the industrialized world. Sanitation officials estimate that when industrial and residential trash is combined, residents create almost 12 pounds of trash per capita per day, four times the national average.

The trash mountain in Lake View Terrace is the last city-owned dump and has become the focus of political battles that surround the disposal of refuse in a region that has few recycling programs and little control over its untrammeled ability to make swill.

That ability and the corollary reduction of unpopulated land near Los Angeles as the city continues to grow have brought a crisis to garbage disposal in the region. That crisis has enveloped expanding cities through much of Southern California.

It is a result of a combination of factors that include past practice, expanding population and economy, local resistance to dumps, geography, and a throw-away society.

The speed and depth of the approaching problem is such that in two years, Los Angeles will generate 6,000 pounds of excess trash on a daily basis – twice enough every day to fill the garbage barge that floated from port to port along the East Coast in 1987.

"If we do not add to capacity, Los Angeles cannot manage on a daily basis after 1991," said Stephen Maguin, who heads solid waste management for Los Angeles County. "I don't know how to put it more simply, or more dramatically."

People on both sides of the garbage debate lay a good part of the blame on a society that lives by disposables.

The other reasons are a large industrial and manufacturing base that creates a massive amount of industrial refuse, and a combination of heat and water taken from other regions that creates a big volume of garden refuse. In addition, a mesh of political no-

Continued on next page

chool Committee, library trustees will be included in discussions

Cooperation stressed in new budget policy

By Betsy Johnson

The Board of Selectman's budget policy for fiscal year 1991 is taking a different shape this year.

For starters, board members are taking a hand in planning the policy. In previous years, the town manager has provided them with a policy which they usually accepted without change.

The policy this year acknowledges the need for better communication about budget planning with both the School Committee and the Peabody Institute Library Trustees.

It also acknowledges the pressure the town is under financially with further anticipated reductions in state funding and lower estimated revenues from new construction.

The new policy, amended initially by Selectman Peter M. Zuk from Town Manager Wayne P. Marquis' general policy advocating a continued level of services and continued "efforts to enhance all revenue sources," will suggest both a higher level of scrutiny of individual department budgets and greater inclusion of all elected bodies in the budget-making process.

Selectmen were expected to approve some form of Zuk's draft, amended by others on the board, Tuesday night at the regular selectmen's meeting.

Although Marquis' budget policy is generally approved either officially or unofficially with little discussion by the board, this year Zuk took it upon himself to rethink the policy.

Zuk added two points to the original three-point plan. The first suggests a flexibility in setting priorities and funding them as best fits the needs of the town.

This was an apparent response to a meeting held in late September between the Finance Committee, the School Committee, the library trustees and the selectmen to discuss budget philosophy — or who decides which department gets how much money.

The second point Zuk included in his draft of the policy is even more clearly a response to that meeting.

Cooperation stressed

The Board of Selectmen should "Work cooperatively with the School Committee and Peabody Institute Library Trustees to achieve concurrence on allocation to budgets controlled by those independently-elected bodies," he wrote.

While some members of FinCom and the School Committee suggested at the forum that the present percentage allocation system be scrapped to allow a fresh perspective each year when it comes time to allocate funds, it is not clear Zuk is suggesting that in this policy.

> 'There is such a fine line between our expenditures and our revenues. We can't afford to begin fighting amongst ourselves for what little money there is.'
>
> — John George

He does suggest there be greater communication between all elected boards and a general sense of agreement on the individal budgets be achieved by all parties involved before the budgets are adopted.

Selectman David Butler concurs, suggesting there be a greater involvement, especially of Superintendent of Schools Richard Sanseutanio with the town manager this year when budget planning begins in earnest.

The current allocation system, in use since Proposition 2 1/2 was adopted in 1981, divides the town's money pie into between 49 and 51 percent for general government, between 48 and 49 percent for the schools and between 1 and 2 percent for the library.

The budget policy has definitely been influenced by the September meeting, Selectman John L. George said. He stressed the importance of working with the other elected bodies to agree on a mutually satisfactory budget before Town Meeting.

"There is such a fine line between our expenditures and our revenues," George said. "We can't afford to begin fighting amongst ourselves for what little money there is."

Hospital an issue

Board Chairman David McKenna's version of Zuk's redraft stresses the need for finding ways to minimize the adverse impact of Hunt Hospital's poor financial condition on the town and to aggressively support legislative initiatives that would give the town greater control over costs like health insurance.

The state Legislature's "double dipping" bill, that would prevent husbands and wives who both work for a municipality from receiving overlapping health insurance coverage, is an example of this, said Marquis Monday.

McKenna wants to include a section in the budget policy that would underscore the need to conserve the town's shrinking free cash account.

McKenna said it is important for the Board of Selectmen to have a specific budget policy to guide it, especially now when state aid is being allocated sparingly to municipalities.

He agreed with others that the School Committee's interest in having a greater involvement in the allocation of the town's resources did have an affect on the board's budget policy this year.

"We want all want to work with the different boards. They've got a job to do the same as us."

But he emphasized that the major reason for spending more time than usual developing a budget policy this year is because of poor financial indicators from the state.

Those indicators have a lot of people worried, including Selectman Doug Bean. "We're going to be in for a rough year this year," he said, sounding a gloomy note for budget planning.

It is likely some programs in town will be cut because of reduced funding, Bean said, adding he could not speculate what programs those might be.

The budget policy "basically just sets wide goals that whether you are conservative or liberal you can agree with," he said.

President of bank resigns

Bev Times 11/14

IPSWICH – James Barney, longtime resident and civic leader, resigned as president of the Ipswich Savings Bank last week, according to bank officials.

Officials said Barney's departure was the result of a mutual agreement between himself and the bank. David Grey of Marblehead, who has been with the bank for four years and has been executive vice president under Barney, has been named the bank's interim chief executive.

Officials said that unfavorable real estate loans to struggling developers played a part in Barney's departure. Due to poor conditions in the current housing market, some developers who owe money to the bank have been unable to sell the houses they built, officials said.

In the bank's report to its trustees and corporators last spring, officials provided figures that showed the bank was in excellent financial condition, one corporator said.

Officials said that is still the case. The bank has $1 million as a loan loss reserve and officials said it would be enough to cover any potential loss.

Barney, 42, lives with his family on North Main Street. Barney has been a visible supporter of educational and social projects in town.

Housing cuts attacked by advocates

Bev Times 11/14

By PAM DERRINGER
Times staff

A $38 million cut in housing subsidy programs proposed by the House Ways and Means Committee is "cruel and outrageous" and a false economy, a community activist said yesterday.

Marc Potvin, executive director of the Peabody-based North Shore Community Action Programs (NSCAP), warned that the $38 million cut included in the House's $401 budget reduction package would make it more difficult for homeless people to find permanent shelter and will require more costly social services in the long run.

The $401 million in House-proposed cuts includes $29 million from the Welfare Department's emergency assistance program and $9 million from the rental subsidies that help homeless families move from shelters and welfare motels into permanent housing.

Potvin said the 25 percent, $29 million cut in emergency assistance will reduce the maximum yearly emergency benefit from four months' to three months' bills, typically used for overdue rent, heat or utility bills.

The proposed reduction in emergency assistance is devastating because the state's basic welfare benefits often don't cover anything except rent, leaving nothing else for food, transportation or electricity, he said.

In a tight money situation, many welfare recipients choose to delay the rent rather than go without food, and landlords often are willing to wait, he said. But the proposed reduction in annual emergency aid may result in more evictions, he said.

The proposed reduction in rental subsidies also will mean that there are no more funds to help people go from shelters and motels into permanent housing through June 30, the end of the fiscal year, he said.

Since April 1987, NSCAP has found permanent housing for 321 families, nearly all of whom were in shelters or motels, Potvin said.

Most of the local homeless families are now staying at the Marblehead Inn in Marblehead, the Steppingstone Shelter in Lynn, the Lakeview Motel in Beverly or the Carriage House Motel in Peabody, he said.

As if living in a welfare motel weren't bad enough, many North Shore families will have to stay in Merrimack Valley due to an increase in Boston referrals to the North Shore, he said.

In addition, $7 million in expired housing subsidies no longer used by the original recipients have been cut from the budget, he said. These expired subsidies previously were available for homeless families, he said.

Asked if he were opposed to all the other cuts in the $401 million package, Potvin said he would support those, such as the proposed consolidation of Boston area police forces, that do not adversely affect human services.

The state could gain another $300 in revenues if it reduced the tax break on capital gains income from 50 to 30 percent, he added.

In addition, Massachusetts should force companies with publicly traded stock to reveal how much they paid in state income tax, he said.

Potvin said that 40,000 companies pay the minimum state tax of $500, leading to a situation where the average person pays more state tax than the average corporation.

"We should find out who is paying their fair share," he said.

In addition, the state could start taxing intangible business services, such as the use of consultants, he said.

If the budget gap still remains, Potvin said he would support a broad-based tax increase.

House plan unlikely to balance budget

Bev Times
11/14

BOSTON (AP) – The House likely will pass a deficit-reduction package this week and send it to the Senate, but don't count on it being a budget-balancer.

As it emerged from the House Ways and Means Committee last week, the package totaled $401.4 million in spending cuts, savings and non-tax revenues.

Under the most optimistic estimates, the House added about $40 million to it on the floor last week.

The House, which resumes debate on the bill this week, has a chance to make additional cuts, but with the deficit now pegged officially at $721 million, the odds are against the bill coming close to covering that amount.

ANALYSIS

Unless the Senate can perform some budgetary magic, that will inevitably set the stage for a tax-increase measure since, unlike the federal government, Massachusetts must balance its budget.

Rep. Robert Havern, D-Arlington, one of several Democrats who have taken the lead in advocating cuts before taxes, said he doubts the budget can be balanced by cuts alone, given the changes accepted and rejected by the House during last week's debate.

Havern said he expected the most the House would add to the Ways and Means package was $90 million, still far less than needed to balance the budget.

House Speaker George Keverian, D-Everett, has said taxes will be needed, but he has said he will not make any estimate on the amount until the House and Senate get done with the deficit-reduction plan.

The state plans to float $140 million in general obligation notes this week to help pay for past deficits in the Medicaid program.

In the official statement issued to potential investors, the state said, "The speaker of the House of Representatives has indicated that he will support a legislative tax package in an amount sufficiant to eliminate any fiscal 1990 deficit that may remain after enactment" of the deficit-reduction package.

Gov. Michael S. Dukakis "has also indicated his support for tax increases sufficient to eliminate the budgetary shortfall," the prospectus says. Dukakis has made clear repeatedly his view that higher taxes will be needed to balance the budget.

Sen. Patricia McGovern, D-Lawrence, head of the Senate Ways and Means Committee, said as the House opened debate on the issue that she felt higher taxes were "inevitable."

Ms. McGovern also called for long-term overhauls of major spending accounts, including Medicaid, the federal-state program that pays medical and hospital bills for the needy and nursing home bills for many elderly patients.

Only legislative Republican leaders remain optimistic, at least in public, that the state's fiscal crisis can be solved without resorting to higher taxes.

"There is a long way to go, but is the task impossible, no," House Republican Leader Steven Pierce, R-Westfield, said as the first round of House debate on the cuts package wound to a close.

Assuming there is a tax bill, the form it will take remains up in the air.

It is unlikely lawmakers will touch the state personal income tax, since the Legislature earlier this year raised that tax by 15 percent to pay off last year's deficit and past-due Medicaid bills.

The other big tax is the sales tax, which could be raised either by increasing it a penny or so, or by imposing it on more items.

House Ways and Means Committee Chairman Richard Voke, D-Chelsea, has pointed out the state has one of the narrowest sales tax bases in the nation.

It exempts food, prescription drugs, most lower-priced clothing purchases, as well as professional services.

An increase in the tax itself would be unpopular with the public, and with merchants on the border with New Hampshire, which has no sales tax.

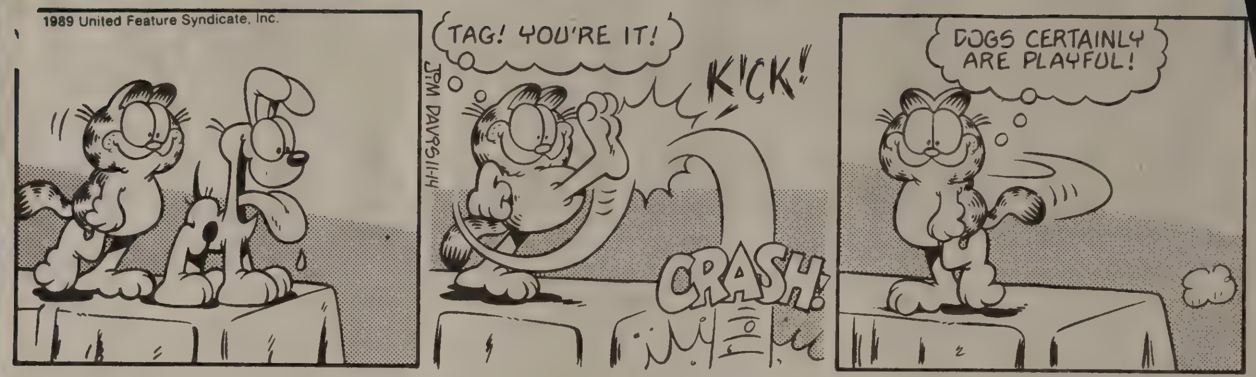
Accident victim still in hospital

Bev Times
11/14

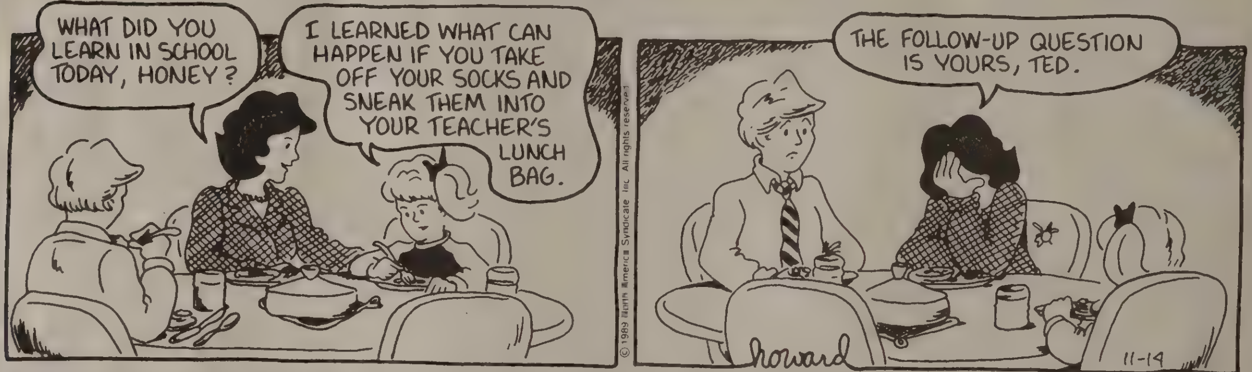
BEVERLY – Stephen Hnatowicz, 44, of 39 Rowell Ave. remained in serious condition today in the intensive care unit of Beverly Hospital, where he is being treated for injuries he received in a pedestrian accident last Wednesday.

Hnatowicz was injured while crossing Bridge Street in Ryal Side. He was struck by a car driven by Sean C. Degan, 25, of 32 Chase St., Danvers.

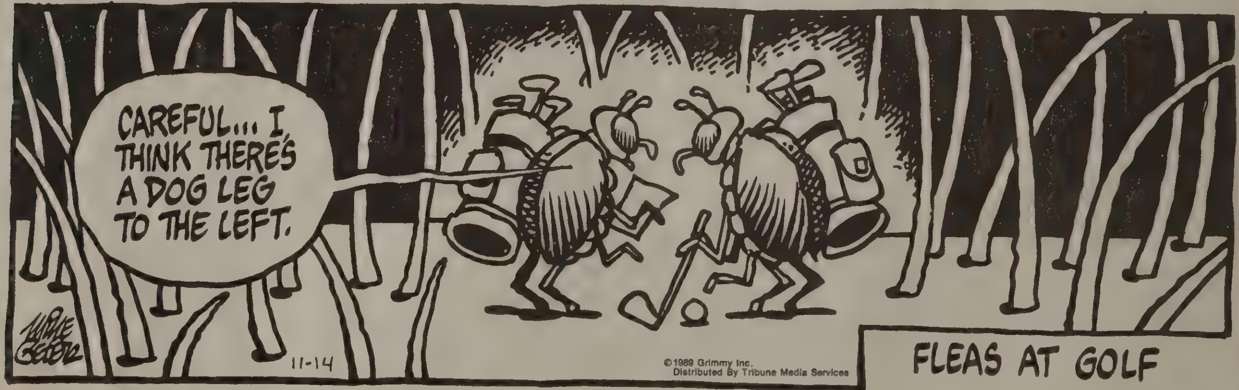
ARFIELD THE CAT


1989 United Feature Syndicate, Inc.
TAG! YOU'RE IT!
JIM DAVIS 11-14
KICK!
CRASH!
DOGS CERTAINLY ARE PLAYFUL!

SALLY FORTH


WHAT DID YOU LEARN IN SCHOOL TODAY, HONEY?
I LEARNED WHAT CAN HAPPEN IF YOU TAKE OFF YOUR SOCKS AND SNEAK THEM INTO YOUR TEACHER'S LUNCH BAG.
© 1989 North America Syndicate Inc. All rights reserved
THE FOLLOW-UP QUESTION IS YOURS, TED.
howard
11-14

MOTHER GOOSE & GRIMM


CAREFUL... I THINK THERE'S A DOG LEG TO THE LEFT.
MIKE PETERS
11-14
©1989 Grimmy Inc. Distributed By Tribune Media Services
FLEAS AT GOLF

FAMILY CIRCUS

FAR SIDE

DEATH NOTICES

LEVENSON – In Peabody, Nov. 11, 1989, Mrs. Madelyne C. (McGee) Levenson, of 29 Samoset Road, West Peabody, wife of Hy Levenson and mother of Karen Levenson, Carol Remillard and Robert Levenson. Funeral services will be held on Wednesday at 10 a.m. at the Francis L. Conway & Sons Funeral Home, 12 Chestnut St., Peabody. Burial in Puritan Lawn Memorial Park, Peabody. Visiting hours on Monday

BABER – In H
(Rachubinski) B
Baber, formerly
J. Smith, Linda
meyer. Sister of
and Walter J. R
Church, Manch

Hospital opens 40-bed facility

Salem News 11/14/89

Unit to serve cancer and neurosurgery patients

SALEM — Salem Hospital's new 40-bed nursing facility, which opened Nov. 1, will provide cancer and neurosurgery patients and their families an area designed to serve their unique needs.

Funded in part by donations to the Second Century Fund — The Campaign for Salem Hospital, construction of the $2.7 million project began in the fall of 1988 and was finished a year later.

The facility, located on the ninth floor of the Davenport building, features a 24-bed oncological unit and a 16-bed neurosurgical unit.

Fully-equipped facility

Each state-of-the-art unit houses its own family lounge, nursing station, medication and special procedures rooms, charting room, physician consultation room, self-service nutrition kitchen and centrally-located handicapped accessible bathrooms and showers. In addition, all patient rooms are equipped with private baths and showers.

According to Salem Hospital President Michael J. Geaney Jr., the two new nursing units enhance Salem Hospital's commitment to providing high quality patient care. "As the fifth largest medical center in the state and the only teaching hospital between Boston and Portland, Maine, Salem Hospital has long been recognized as a regional center in both oncology and neurosurgery," said Geaney.

Salem Hospital's chief of neurosurgery Dr. Joseph F. Arena said the new facility maximizes the quality of patient care. "The medical and personal needs of neurosurgery and oncology patients demand a great amount of attention. The units enable the physicians, nurses and other members of the patient care team to provide each patient highly individualized care in a concentrated area," he said.

Expanding cancer program

Dr. Joseph R. Halperin, director of Salem Hospital's medical oncology program, said the new 24-bed oncology unit is only one facet of the hospital's expanding cancer program. He said last year's opening of the $3 million Center for Radiation Oncology in Peabody provided Salem Hospital cancer patients a second site for radiation therapy. Since its January opening, the center has treated more than 480 cancer patients from the greater North Shore and Boston area.

"Additional developments under way such as a closer collaboration with the Dana Farber Cancer Research Institute in Boston, a cancer rehabilitation program at Shaughnessy-Kaplan Rehabilitation Hospital, a certified hospice program and a breat health center, demonstrate Salem Hospital's commitment to strengthening its comprehensive cancer program," Halperin said. "By encorporating a cooperative effort among many medical, surgical and support disciplines, this commitment allows the hospital to provide its patients the most efficient, up to date and compassionate cancer treatment services available."

Before admitting patients to the new Davenport 9 facility on Nov. 1, the hospital held a two-day grand opening ceremony to honor the Second Century Fund supporters. Salem Hospital employes and volunteers, trustees and corporators, members of the Aid Association, corporate and private donors attended the ceremonies, which were highlighted by the unveiling of a plaque in honor of former trustee and Marblehead resident H. Alden Johnson Jr., who died in 1987.

continuing series of community events in the aftermath of last summer's anti-Semitic vandalism of the North Shore Jewish Community Center and Temple Emanu-El.

Panelists included state Rep. Augusto Grace, D-Burlington;

more incentive to stay and become prominent members of that community. Grace went on to serve two terms as chairman of the Burlington School Committee and now serves a state representative for his native district.

Grace said many people don't

Marks agreed education is the key to countering prejudice, but she said declarations such as "English Only" are not steps in the right direction. She said English Only — a non-binding referendum question approved by Lowell voters last week to de-

BRIEFLY

Temple sets welcome service

MARBLEHEAD — Temple Sinai will host a welcome service for new and prospective member families at 9:30 a.m. Saturday, Nov. 18. A special childrens' service has also been scheduled for that morning. A luncheon will be served following the services. Call the temple for information and reservations. The temple, at 1 Community Road, is a Conservative Congregation.

Leahy passes bar exam

MARBLEHEAD — James M. Leahy, son of Mr. and Mrs. Michael Leahy of Marblehead, 1976 winner of the Salem Evening News Student Athlete Award, recently passed the New York Bar Exam and is associated with the New York law firm of Millbank and Tweed. In 1980, Leahy graduated from Dartmouth College and entered the U.S. Navy through the O.C.S. where he attained the rank of lieutenant. He served aboard the aircraft carriers USS John F. Kennedy and USS Independence and in 1986, after resigning from the Navy, entered Boston College Law School, from which he graduated in June. He is married to Lt. Noreen (McQuaid) and is the father of two children, Joseph and Meaghan.

Basketball sign-up slated

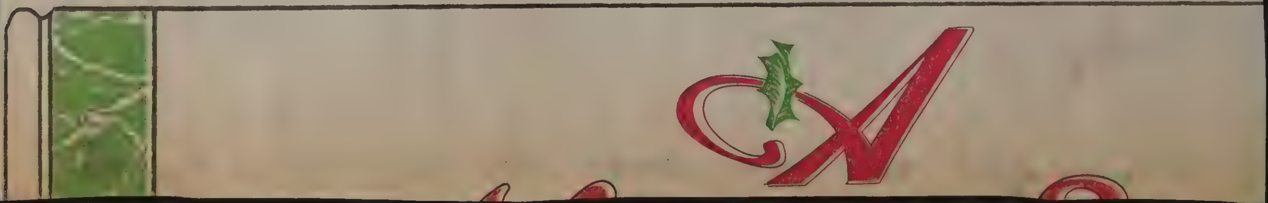
MARBLEHEAD — The Recreation and Park Department Winter basketball program starts Saturday, Nov. 25, in the Middle School gym. The program is under the direction of Bob Glabicky and is offered at no cost to all children of the town. Sign-ups will be begin at 9 a.m., Saturday, Nov. 25. This year, the program will start with a clinic from 8 to 9 a.m. and the league games will be from 9 11 a.m. The clinic is
and the lea
12. All child
pate.

Blood dri

MARBLE
Wednesday
aged to do
Temple Em
tured. Unl
source of bl

Club mee

MARBL
Center will
Guest spea
will speak o



President leaves on good terms with Ipswich bank

BEV TIMES 11/15/89

By **KELLEY BOUCHARD**
Times staff

IPSWICH – The recent resignation of Ipswich Savings Bank President James Barney was not the result of misappropriated funds, a bank official said yesterday.

Barney, 42, resigned last week by mutual agreement with the bank after a number of unfavorable real estate loans went soft in recent months, said interim chief executive officer David Grey.

However, several business people with ties to the bank acknowledged there were rumors circulating around town that Barney had been fired for misappropriating funds.

"There are no funds missing," Grey said. "No money has been misapplied or embezzled. Jim Barney is a man of the highest honesty and integrity. I want to make that clear."

Barney was president of the bank for 12 years. Grey, who worked as executive vice president under Barney for the past four years, said bank officials agreed a change in ranks would serve the best interests of Ipswich Savings.

Grey said a number of real estate loans to struggling developers in town went soft in recent months due to the slow housing market. Some developers who owe the bank money have been unable to sell the houses they built, he said.

"Anyone who knows us knows we were in the real estate business," Barney said. "And the real estate business isn't booming."

In an annual report to trustees and corporators last spring, bank officials provided figures that showed the 120-year-old institution was in excellent financial condition, one corporator said.

Grey said that is still the case. The bank has $1 million as a loan loss reserve and Grey said that should be enough to cover any potential losses.

"It has always been a goal of this bank to remain independent," Grey said. "That hasn't changed."

Grey, 36, of Marblehead, has been named the bank's interim chief executive and will be working with Barney during a transition period through the end of the year, Grey said.

"Banking in the 90s is going to be a lot different than banking in the 80s," Barney said. "The concept of competition is going to be a lot sharper. That's why a guy like Dave, who's good with finances, is going to do well."

Barney said he, along with a couple business associates, plans to open a small business that would afford him independence and control in his career.

"In the next 20 years, I want to have something of my own to work with," Barney said. It will be the third career change for Barney, who worked in the insurance industry before becoming a banker.

Barney, who was raised in Hamilton, has been active in both educational and social programs in town. He is a member of the Fire Protection Task Force and a trustee of the Caldwell Nursing Home. Barney said he and his family will likely stay in Ipswich, where they live on North Main Street.

"We like the community," Barney said. "We don't have any plans to leave."

served in The Cotting Cafe and Bar (established in the Museum for the duration of the show), and the Museum's gift shop, with items from around the world and reflecting the Museum's collections, will be open to all.

The show will be held Nov. 25, from 10 a.m. to 7 p.m., and Nov. 26, from noon to 5 p.m. The preview party will be staged on the Friday after Thanksgiving, Nov. 24, and is from 5 p.m.-9 p.m.

VICTORIAN WEDDING: There will be a Victorian Wedding at the House of the Seven Gables to recreate Nathaniel Hawthorne's 19th century tale.

Under the direction of John Burbidge, former head fashion designer for Priscilla's of Boston, elegant costumes of the period grace each room, complemented by holiday floral arrangements of 10 North Shore garden clubs.

After the tour, there wil be cider and cookies as well a as an opportunity to browse the Christmas Curiosity Shoppe, a holiday annex of the Gables Museum Shop. Handcrafts, toys, antique reproductions, books and unusual gifts.

The event runs Dec. 2-29, 10 a.m.-4:30 p.m., admission $6. Candlelight tours, Dec. 7 and 9, from 4:30 to 7 p.m., and by special ar-
gement. For further information,
oup rates, call Miss

Lamperts
CLOTHING &
SPORTING GOODS
250-252 CABOT ST. BEVERLY MA 01915
TEL (508)927-0550

The Perfect Gift
For The Holidays

Choosing a Personal Emergency Response System is not a choice to be made lightly.

CHAULK,
we've been responding to emergencies
for over 30 years.

Call us today for our Special Holiday Offer for you or someone you love.

1-800-877-8978

The Good Neighbor Program™
BY CHAULK

A Personal Emergency Response Program

CHAULK, a trusted name in Emergency Medical Services for over 30 years.

11/15 BEV TIMES

Bank to lead senior center money drive

BEVERLY – The hopes for the necessary dollars to build a new senior center have shifted toward the Beverly National Bank, which just announced it would lead the fund-raising drive to come up with $500,000-$1 million still needed for the project.

The new center, to be located next to Beverly Hospital off Colon and Heather streets, is estimated to cost $2-2½ million, with a $1.5 million state grant already in hand.

The rest will likely have to come through private donations, with Mayor F. John Monahan vowing the city would offer some help as well.

Early estimates are for the building to be completed and open in the spring of 1991.

The building commission for the project announced last week that Beverly National "has stepped forward to provide the leadership" of the drive, with plans starting to take shape for special events, contribution drives with both North Shore businesses and individuals, and donations in kind.

An early in-kind donation was Portelance Sign Co.'s donation of a sign for the construction site.

The bank also plans to provide a Cabot Street office for the project that will be manned by the building commission and the Friends of the Council on Aging. The Friends have already started its efforts with a raffle.

Meanwhile, the building commission last week also opened 49 architects' bids for the project, with plans to review them and recommend three finalists to the Board of Aldermen's service and aid committee within a month.

The aldermen's committee will have the final say on the architect.

BOSTON GLOBE 11/15/89

Catastrophic coverage deadlocks Congress

By Nicki Weisensee
SPECIAL TO THE GLOBE

WASHINGTON – House and Senate conferees remained deadlocked yesterday over their differing catastrophic health insurance bills.

House conferees met all afternoon and late Monday night. Unable to come up with a compromise, they sent over to the Senate an offer of repeal that passed the House 360-66 last month.

The Senate, in turn, sent back the bill sponsored by Republican Sen. John McCain of Arizona that passed the Senate 99-0 last month. McCain's bill eliminated three of the major benefits – prescription drug coverage, skilled nursing-home care and coverage of doctor's fees – and the controversial tax based on income that fueled the public outcry over the program.

When asked what would lead to a breakthrough, Democratic Sen. Lloyd Bentsen of Texas, chairman of the Senate Finance Committee and chief author of the original catastrophic health insurance law, replied, "I would say reason."

Rep. Brian Donnelly, a Democrat from Massachusetts, was the author of the repeal amendment that overwhelmingly passed the House last month. Last week he said he could support McCain's bill if it were voluntary because many people were upset because they had to pay for the new benefits whether they already had similar coverage or not.

McCain said the program could not be financed if it were voluntary, prompting Donnelly to remark that that was the fundamental flaw in McCain's proposal, "The elderly won't buy it," if they have a choice.

However, Donnelly later said he may sign onto a proposal that would make McCain's program mandatory next year, but voluntary after that, the first indication that he or any repeal advocates on the House side were willing to compromise.

Yesterday's deadlock raises the question of whether the issue can be resolved before Congress convenes for the year next week.

'This is no time to deny economic reality, but it's also no time to sit around wringing our hands. It's time to figure out what's happening, to decide what to do about it.'

GOV. DUKAKIS

11/15

BOSTON Globe

Dukakis concedes 'Miracle' is gone

By Bruce Mohl
GLOBE STAFF

Gov. Dukakis acknowledged for the first time yesterday that the so-called "Massachusetts Miracle" that pumped life into his presidential campaign is gone.

In a speech at the Massachusetts Institute of Technology, the governor conceded the accuracy of negative economic news that many of his critics have been citing for some time.

He said the state's manufacturing base is in trouble, construction is in the doldrums and his administration's initiative to spread economic benefits to depressed areas of the state is losing ground.

"This is no time to deny economic reality, but it's also no time to sit around wringing our hands. It's time to figure out what's happening, to decide what to do about it," Dukakis said.

The governor said he would not spend the remainder of his term debating whether or not the state is in a recession, but instead would develop a blueprint for economic growth in the 1990s. Dukakis said his blueprint will include heavy emphasis on biotechnology, higher education and five pending major construction projects that the governor said would help prime the state's economic pump.

"The harbor cleanup and the artery-tunnel project by themselves will put 10,000 people to work for 10

DUKAKIS, Page 6

akis publicly acknowledges assachusetts Miracle' is gone

■ DUKAKIS
Continued from Page 1

years on $10 billion worth of essential public construction," Dukakis said.

The governor's remarks were striking not so much for what he said, but for what they revealed about the evolution of his thinking on the state's economic predicament. During his run for the White House, the governor's management of the state's economic miracle was a central plank of his campaign. He told crowd after crowd that what he had done in Massachusetts could be duplicated across the country. He also rejected gloom and doom warnings from the Massachusetts business community about declines in manufacturing employment, repeatedly saying such declines were to be expected as businesses installed a greater number of labor-saving devices.

Yet yesterday, Dukakis dropped his boosterish front, bluntly stating that Massachusetts is losing manufacturing jobs in traditional industries as well as the minicomputer area.

"Let's not kid ourselves," he said. "Manufacturing is at the head of the economic food chain. As a nation, we began to regain manufacturing jobs in 1987, when the dollar weakened. But here in the Northeast, we didn't see that same kind of comeback."

The governor also said his highly publicized effort to extend economic growth into depressed areas of the state was slipping. "The numbers aren't yet alarming, but for the past six years the economic gap between these target regions and the rest of the state was shrinking. Now it's beginning to grow again," he said.

Martin Linsky, a lecturer in public policy at Harvard's John F. Kennedy School of Government and a long-time Dukakis watcher, said the time lapse between the emergence of the state's problems and the governor's acknowledgment of them illustrates just how central to Dukakis' psyche a strong Massachusetts economy has been.

"He had a huge personal investment in continuing economic growth in the state, which explains why he continued to be optimistic even when his friends were talking about the problems," Linsky said.

"He's only about 16 months behind everyone else," said Alexander Tennant, executive director of the state Republican Party. "If we had addressed this problem 16 months ago, we'd be better off today."

James Braude, executive director of the Tax Equity Alliance for Massachusetts, said many will view the governor's statements as "acknowledgment of the obvious." But Braude said he hoped the statements would help remove the "anti-Dukakis animus" in the state and allow long-term solutions to the budget problems to be forged.

Dukakis, who plans to unveil his economic blueprint for the 1990s in his State of the State speech in January, said his primary goal is to make Massachusetts the world's leading center for biomedical research and manufacturing. "We're going to make Massachusetts science-friendly," he said.

Chris Anderson, a spokesman for the Massachusetts High Technology Council, said biotech currently accounts for about 6,000 jobs in Massachusetts, a fraction of the state workforce.

Dukakis said progress on the state's mega-construction projects is badly needed to give the state an economic boost. The projects include the harbor cleanup, the artery-tunnel project, high-speed rail service between New York and Boston, the Old Colony railroad south of Boston and the proposed $600 million improvement of the Massachusetts Turnpike. The turnpike improvements would be financed by a 30 percent increase in tolls.

The governor also stressed the need to promote exports and to support education. He said 85 percent off all new jobs will require at least a community college education. "That's why the cuts we've been making in our state colleges and universities this year are just so terrible and so shortsighted," Dukakis said.

Health fair offers something for everyone

BEV Times 11/15/89

Events include health services programs, preventive medical screenings, fitness

By VIRGINIA LOWRY
Times staff

BEVERLY – The leaves have gone from the trees, the grass is beginning to brown in preparation for winter and the feel of Thanksgiving is in the air.

Along with all the other signs of the changing seasons comes another harbinger of fall, the 12th annual Beverly Regional Health Fair. Since its inception in 1978, the fair has become a North Shore tradition drawing 4,000-5,000 visitors to the Beverly High School cafeteria each year.

The Health Fair, sponsored by the Beverly Health Department, The Times, Beverly Jaycees and Beverly Hospital, will be 10 a.m.-4 p.m. next Saturday and Sunday. Admission is free, with more than 50 exhibitors and participants scheduled to provide services.

The Beverly Regional Health Fair is the oldest community-based event of its kind in the country. Each year, its scope has been expanded and it now provides a broad-spectrum exposition of health services, preventive medical screenings, fitness, safety and environmental concerns.

As in the past, this year's fair will be geared to spanning generations and attracting entire families, according to Beverly Health Director Joseph W. Walsh Jr.

"We try to get the whole family in, with services, demonstrations and entertainment for everyone," said Walsh.

Youngsters from kindergarten through middle school age have again been active participants in preparing for the fair, the health director said. Posters, tabletop displays and other projects dedicated to the theme "Drug Abuse and the War on Drugs" will be displayed at the fair and the best in each category will earn their young creators ribbons and trophies.

For youngsters visiting this year's fair, there will be not only educational materials and displays, but entertainment by attractions such as Clown Moon and magician Jerry Langlais and face painting.

> *We try to get the whole family in, with services, demonstrations and entertainment for everyone.*
>
> **– Joseph W. Walsh Jr.**
> **Beverly Health Director**

And, for their elders, besides materials and displays geared to adults, screenings will be available, according to Walsh. Free preventive medicine screenings will include diabetes, posture evaluation, podiatry examination, colon cancer kits, eye evaluation for vision and visual fields, hearing tests, glaucoma, cholesterol and others.

Because of the popularity of last year's cholesterol testing, Walsh said fair organizers this year have rented three cholesterol screening units. Testing will be on a "first come, first served" basis and will, as other screenings, be free of charge, he said.

Entertainment for all ages will also include a demonstration by North Shore Karate Academy and performances by Al Mitchell's Musical Revue and Manuel's Black and White Orchestra.

This year's fair will feature a first, according to Walsh and Capt. Richard Jutras, who heads the Fire Department's fire prevention bureau.

Jutras said he has been trying for several years to schedule a demonstration of the performance of residential sprinkler systems by representatives of the Massachusetts Fire Academy. This year, the fire captain was able to bring the demonstration to the Health Fair, he said.

"It's a mock living room built inside a trailer that's towed behind a truck," said Jutras. "The side of it opens up. There are two big picture windows and you look inside."

Jutras outlined the scenario:

"There's a couch, chairs, drapes and everything you'd see inside a living room. In this room is a residential sprinkler head on the ceiling which would simulate a . . . system in your own home.

"Two or three people sit down in the living room and they start a conversation. The wastebasket catches on fire, maybe from a discarded cigarette. The fire roars up, goes up the walls, catches the drapes on fire and the fire and heat and smoke go up to the ceiling."

Jutras said the demonstration appears to be real.

"You become a little concerned that you're there," he said. "And then the sprinkler head goes off and puts out the fire. There's minimum damage to the room. The fire goes out."

Jutras said that, along with smoke detectors as an early warning system, the sprinkler has been demonstrated to save lives. The system also, he added, has been reduced in price in recent years."

Sprinkler system demonstrations are scheduled four times Saturday, at 10 and 11:30 a.m. and at 2 and 3:30 p.m.

Other scheduled special events for Saturday, following the fair's 10 a.m. opening, include the Beverly High School Jazz Band at 10:15 a.m.; awards ceremony, 12:45 p.m.; North Shore Karate Academy, 2 p.m., and Clown Moon, 3 p.m. On Sunday, they will include magician Jerry Langlais, 1 p.m.; Mitchell's Dance Studio, 2 p.m., and Manuel's Black and White Orchestra, 3 p.m.

A Volksmarch walk will be held both days, sponsored by the Beverly YMCA and Volks Sports Association. Information is available at the YMCA or at the fair.

BOSTON
GLOBE
11/16/89

The Family Money

ALEXANDER A. BOVE JR.

New Medicaid rules complex, offer elders few easy choices

Q *My husband was admitted to a hospital in early October and he will now have to go into a nursing home. We don't have that much money and I am concerned not only for his care, but for my own security under the new Medicaid law.*

If I have to spend half of all our money, I would not have enough for my own living expenses. We have a house with no mortgage and about $52,000 in savings (mostly from my earnings). I have an IRA account worth about $13,000.

My husband is 74 and I am 70. He receives about $800 a month in Social Security benefits, I receive $450. The rest of our income comes from savings.

How will the new Medicaid law affect us?

R.D.
Wareham

A Medicaid and nursing home costs have become two of the biggest concerns of most elderly people. As to how the law will affect you, there are still some unresolved, or at least unclear, issues. Despite that, I can give you a general idea of where you stand.

In view of the amount of your assets, you will not be able to afford to pay for your husband's nursing home costs very long without becoming impoverished yourself. It is equally clear, then, that at some point you will be applying for Medicaid for him. The question is, how much can you keep for yourself?

The new Medicaid law requires that you and your husband combine your assets to determine his eligibility. The source of the assets is disregarded for this purpose, so it does not matter that you earned most of the savings or that the IRA is yours. Your house, furnishings and an automobile are among the more important assets excluded from this determination.

In your case, the includable, or "countable," assets would include the $52,000 savings plus the $13,000 in your IRA account, a total of $65,000. The law then allows you half of this as a "spousal asset allowance" – in your case, $32,500. The other $32,500, less a $2,000 personal asset allowance for your husband (or $30,500), would have to be spent for your husband's care, or used in some other allowable way, before he could qualify for Medicaid. You could keep the rest.

In addition to the asset allowance, you are also given an income allowance, the "spousal monthly maintenance needs allowance." The income allowance is based on a formula tied into a multiple of the federal poverty level standard and subject to modification by a showing that your actual needs for rent, taxes, insurance and utilities and other necessities exceed the minimum monthly allowance of $815. In any event, your income allowance generally cannot exceed $1,500 per month.

Your own income from all sources is first applied against this allowance. If it is less than the allowance, you may either make up the balance from your husband's income or ask that your own income exceed the income allowance you may keep it all. But you could receive no additional share of your husband's income.

For instance, say that upon your application for Medicaid the state gives you an income allowance of $900 per month and an asset allowance of one-half the $65,000, or $32,500. Your current income is only $450 per month plus the income (interest) you would earn on the $32,500 savings, say $160 per month, for a total of $610 per month.

Since this is less than the $900 monthly income allowance, you could request a higher asset allowance so that your monthly income on the additional funds could help you meet the $900 per month income allowance. Even if the state allowed you to keep the full $65,000, the added interest (assuming a 6 percent rate) would still be insufficient to bring you to the allowable $900 per month. The shortfall could be made up by taking the balance from your husband's Social Security payments, and this is what would probably happen.

It is important for you to understand that the asset allowance is determined when your husband was institutionalized; the income allowance is determined when he is considered eligible for Medicaid. Determination of the asset allowance, however, is not automatic at the time of institutionalization. You must request it. Believe it or not, the state will charge you a fee for making the determination, unless the request is made during an application for Medicaid benefits. In view of this, everyone who thinks a Medicaid application may eventually be necessary could consider applying for Medicaid benefits at the time of institutionalization, whether or not they qualify for Medicaid at that time.

In making the asset determination, the law requires the state to take a "snapshot" of the couple's assets at the time of institutionalization and determine the healthy spouse's asset allowance, even though the ill spouse may not apply for benefits until months or even years later. For this purpose, institutionalization includes entrance into a hospital, as well as a nursing home. Therefore, your own snapshot will be taken as of early October, when he entered the hospital.

You will be asked to reconstruct and document the extent of your combined assets. The burden is on you to do this; you cannot simply say: "I lost the records," or, "I don't know how to do it." The hospital entry date would apply even if your husband returned home for a brief period (less than 30 days) before he entered a nursing home.

It does not appear you would lose all your savings, or even half, depending on the amount of the income allowance given to you. Meantime, there may be other planning opportunities available to you to insure that some, if not all, of your funds would be protected. I did not discuss the risks of your predeceasing your husband or becoming institutionalized yourself. For these and other reasons, you should seek expert advice.

• • •

Rating plunge could hasten budget solution

Salem news
11/16/89

A News staff report

BOSTON — Although the latest plunge in the state's bond rating deepened the atmosphere of crisis on Beacon Hill Wednesday, it sparked hope among some lawmakers that it could hasten a solution to the state's fiscal problems.

"I think it's a wake-up alarm going out to everyone in the state that we've got to resolve our fiscal crisis within the next five weeks and finally put it behind us," said Rep. Lawrence R. Alexander, D-Marblehead.

In the latest in a series of fiscal blows to Massachusetts, Moody's Investment Service announced it had lowered the commonwealth's bond rating from A to Baa 1.

The change, which came on the eve of the state's planned sale of $140 million in short-term notes, placed Massachusetts in a tie with Louisiana for the worst bond rating of any state in the nation.

Standard and Poor's, another key investment service, kept Massachusetts at an A rating, but placed the state on a "credit watch."

INSIDE

More on the state's money mess:

- Francis X. Bellotti has called for the resignation of the state's money czar, L. Edward Lashman.
- Samuel E. Zoll of Salem, chief justice of the state's district courts, explains how budgets cuts will affect the system.
- The Lynn office of the Registry of Motor Vehicles is targeted for closing.
- Rep. J. Michael Ruane has won passage of a bill to stop welfare payments to illegal alients.

Page 11

Moody's accompanied its changed rating with the suggestion that a tax increase might be needed for Massachusetts to close its $720 million budget gap. Credit ratings are important because they determine how much

BUDGET
(Continued on Page 6)

we have the basic
available this year,
have carnage on the st
Jim Ste
acti

that regardles
y's going
of beds

GET

(Continued from Page 1)

must pay to borrow

nnouncement by Moody's during another tempestu-udget day at the Statehouse. e the House plodded through other day of debate on a proposed deficit-reduction package, 20 homeless people were arrested inside the Rotunda for allegedly being disorderly in demonstrating against cuts in shelter funding.

Alexander said he thought the Moody's announcement would break down resistance to a tax increase among lawmakers and the public.

"I think we need to accept the fact we may need additional revenues above and beyond the cuts we've made the last several weeks."

But other lawmakers, though agreeing that Moody's rating made a fiscal solution more urgent, said they were not yet convinced taxes were the way to go.

"Just as late as this morning, I got a card in the mail saying 'cut spending' five times and 'no taxes,' " said Rep. Frances F. Alexander, D-Beverly. She said she had yet to hear from anyone in favor of higher taxes.

Rep. Peter G. Torkildsen, R-Danvers, said he hoped the new bond rating "would create some sense of urgency about solving the (fiscal) problem."

But he said the solution was not taxes but "larger and more painful" cuts than those the House has made so far.

"Basically, what the commonwealth has to do is put the brakes on the overspending that's taken place the past five years and pick itself up by the bootstraps," agreed Rep. J. Michael Ruane, D-Salem.

Sen. Frederick E. Berry, D-Peabody, said the only way for the state to make a serious cut in the deficit — of the type Wall Street is demanding — is to restructure the state's major fixed spending accounts, including pensions, group insurance, Medicaid, the MBTA and debt service.

"What's clear to me is that the problem will be perpetuated until we do something about those five accounts," said Berry, who discussed the budget in a caucus with other Democratic senators Wednesday.

Rep. Forrester A. Clark, R-Hamilton, said the message by Moody's Wednesday was that lawmakers would have to continue doing what the governor should have done long ago — cut the budget.

"The worst group in the world to cut the budget is a group like the Massachusetts Legislature," he said.

Salem News 11/15/89

Dukakis: No taxes, no local aid

A News staff report

BOSTON — Municipal officials asked Gov. Michael S. Dukakis Tuesday to help them fight another round of local aid cuts.

But the governor, while pledging to support them, warned the officials again that new taxes were needed to restore the cuts in local aid and other vital areas.

"Now is the time to step up to the plate and do what we've got to do on the revenue side," Dukakis said during his monthly meeting with the Local Government Advisory Committee.

As if to underscore the point, Dukakis' budget chief L. Edward Lashman said at the meeting that the state faces a $300-400 million deficit for fiscal year 1991, to add to the $700 million gap that exists for the current fiscal year.

But local officials said they were not ready to endorse new taxes yet. (An exception were school officials. See related story).

"We haven't seen specifically what's being done with the other side of the ledger," said Peabody Mayor Peter Torigian after the meeting, referring to spending cuts.

"We're all reasonable people," said Torigian, noting people would support higher taxes to care for the hungry and the elderly if they were convinced legitimate savings had been made in other budget areas.

"They're not convinced it's happening," said Torigian, who recently called on the governor to resign because of his loss of credibility with the public.

Danvers Town Manager Wayne P. Marquis said it was premature to back a tax hike until lawmakers complete their work reducing the budget.

Lexington Selectman Paul Marshall, who recently succeeded Torigian as president of the Massachusetts Municipal Association, said the MMA has been on record as backing a tax hike provided it was one that would return revenues to cities and towns.

"We've not seen such a tax bill," he commented.

Local officials clashed with the governor this past July after he vetoed $210 million in the already lean local aid budget for cities and towns.

Tuesday, the officials pleaded with Dukakis to help them fight a bid by the House Ways and Means Committee to slash an additional $10.8 million in aid for the current fiscal year.

"Any further cuts in local aid and Cherry Sheet items are going to force further layoffs and further cutbacks," said Canton Town Manager Warren Rutherford.

Marquis noted "most of us have already set our tax rates" for fiscal year 1990 based on the local aid figures they had been given.

If further cuts are made in local aid, he said the communities would be faced with end-of-the-year "deficits which would have to go on the fiscal 1991 tax rate. That would obviously be serious for all the communities."

Dukakis reminded the officials he favors new taxes to prevent such additional cuts.

Dukakis said he was concerned the state was "nickel and diming ourselves to death" by making cuts in small, but vital programs while the real growth in the budget has been in major programs like local aid and Medicaid.

He said covering rising costs in those programs required a revenue package.

Lashman painted a bleak assessment of the state's fiscal situation, even in fiscal year 1991. He said the state would likely see a growth in revenues of just $300-400 million and a growth in spending on fixed costs of $600-700 million, leaving a deficit of up to $400 million.

Tax hike urged to support education

A News staff report

BOSTON — Groups representing school officials and employees, along with the state Board of Education, joined forces Tuesday to support a tax hike to restore cuts in education.

"We want the people of the Statehouse to have the guts to stand up and speak out for the kids of this Commonwealth," said John E. Zoino, president of the Massachusetts Association of School Superintendents, and the school chief in Randolph.

His group, along with the Massachusetts Association of School Committees and the Board of Education, announced a joint statement in which they warned about the effects of $298 million in education cuts this year.

The statement urged "any tax package proposed by the state legislature include sufficient revenue to restore $298 million in funding for our public schools in the next fiscal year."

It does not specifically call for a tax hike, but state Education Commissioner Harold Raynolds Jr. said that was the intent of the statement, which was also endorsed by the Massachusetts Teachers Association.

"There has got to be an increase in revenues, in taxes to support public education, among many other things," Raynolds said.

Two North Shore superintendents said Raynolds was correct in asserting their association favored a tax hike, though a third said the claim was not accurate.

"I think if you poll the superintendents around here, you'll find a pretty much united front" favoring a tax increase, said Patricia Alger, superintendent of the Hamilton-Wenham Regional High School.

"Education should not be looked at as a cost — it's an investment," she said.

Masconomet Regional High School Superintendent Joseph P. Carroll said both he and his school committee have gone on record in favor of a tax hike if that is what is needed to support education.

The committee sent letters to lawmakers and other school committees urging them to support that position.

He said, "I think it's a disgrace that the most important thing in American life is not a concern for the poor, or the future, but for a few bucks in a tax bill. I think the country and state is better than that."

Beverly School Superintendent Jean P. Perron said, however, he did not believe the M.A.S.S. had ever voted to call for a tax hike, but only to insist that a portion of any hike be earmarked to restore education cuts.

He said personally, "I'm not prepared to say 'yes' or 'no' to a tax increase. That's the state legislature's prerogative to make that decision."

At their press conference, the education leaders said schools had already been hurt by $208 million in local aid cuts; the freezing of $30 million in school building funds and $30 million in grants for poorer school districts and the loss of $30 million in school and teacher improvement funds.

And those cuts do not take into account $5.5 million the House Ways and Means Committee has proposed to slash from the Department of Education's budget.

Raynolds said recent polls indicated the public would back a tax hike if the money was earmarked for education.

House members, who spent another day debating further cuts to the budget, seemed in little mood, however, for restoring any cuts, including those in education.

"They ought to run for office on that platform," said Rep. J. Michael Ruane, D-Salem.

BEVTIMES

Fair chairman worries about budget effects

By VIRGINIA LOWRY
Times staff

BEVERLY – The long-term chairman of the Beverly Board of Health, like other health professionals throughout Massachusetts, is concerned about the future of public health because of budget crunches that, inevitably, will affect individual communities.

Not only will less money be available, "but unfortunately, the Board of Health is going to get called on to do some of those things other agencies can't," said Dr. Frank Carbone.

Carbone, who has chaired the Beverly board for well over a dozen years, pointed to last year's citywide testing for radon gas. The project was the most comprehensive yet conducted in Massachusetts.

Beverly health inspectors "were magnificent," Carbone said. He said that, with luck and financial backing, "I'm sure next year there'll be another project."

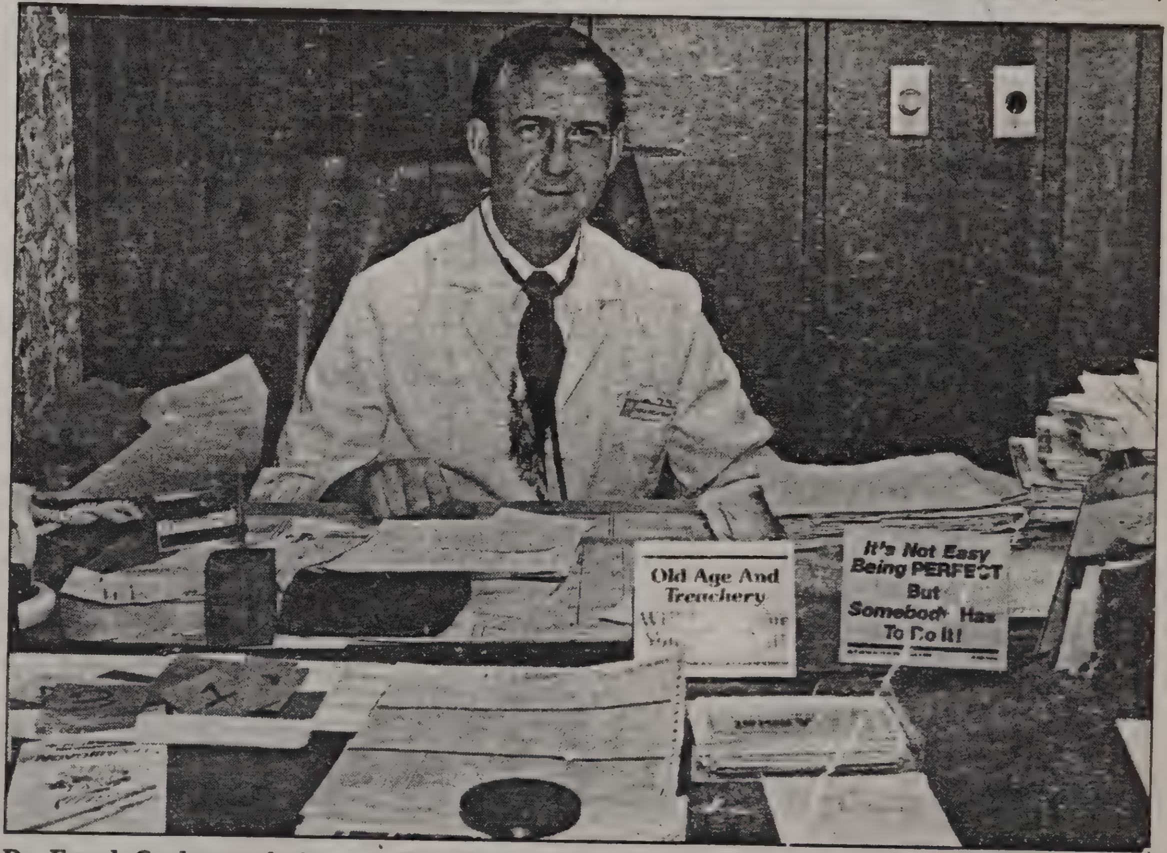
But, like state public health officials, Carbone bemoans the loss of some critical services, such as vaccines for children. Because money has been cut from the state budget, public health professionals are predicting a likely measles epidemic.

Because money has been cut from the state budget, public health professionals are predicting a likely measles epidemic.

"It costs $20 to buy and give preventive vaccine," said Carbone. "Where's the money going to come from?"

Another critical health department program which could suffer, according to the chairman, is testing children for lead paint ingestion. Although lead paint poisoning is widespread in Massachusetts, a new core for Beverly's test machine – required every three years – costs $2,000, he said.

"These are all the services that are going to fail if something isn't done," Carbone concluded.


Old Age And Treachery
It's Not Easy Being PERFECT But Somebody Has To Do It!

Dr. Frank Carbone, chairman of the Beverly Health Fair, shares a concern with other health professionals that a tighter state budget could have an adverse affect on municipal health programs, such as vaccinations.

AFFILIATION SIGNED: Beverly Hospital has signed an affiliation agreement with the Tufts Health Plan, which will significantly broaden the health care options available to Boston's North Shore communities. The affiliation comes as part of Tufts Health Plan's 1988 alliance with VHA HealthFront, the Massachusetts branch of Voluntary Hospitals of America, the nation's leading network of non-profit hospitals.

In fulfillment of the VHA HealthFront agreement, Tufts Health Plan will add nine hospitals and approximately 800 physicians to its health care network by the end of 1989.

Bev Times
11/16/89

12th Annual

HEALTH FAIR

FREE ADMISSION

Sat. & Sun. - November 18,19

10 am - 4pm / Beverly High School (Cafeteria)

Free Screenings

- Vision Testing
- Diabetes
- Foot
- Posture
- Blood Pressure
- Height & Weight
- Glaucoma
- Hearing
- Cholesterol

DEDICATED TO
VIRGINIA LOWRY
News Reporter

Free Entertainment

- Manuel's Black & White Orchestra
- Al Mitchell Musical Revue
- Karate
- Children's Face Painting
- Clowns

VOLKSMARCH
6.2 MI. & 1.5 MI.
SPONSORED BY
BEVERLY YMCA
& VOLK SPORTS
ASSOC.

Free Demonstrations

- Boston Med-Flight Helicopter
- Beverly Police-Drugs
- Beverly Fire Department
- Elementary School Children's Health Projects and Poster Contest
- Middle School Slogan Contest
- Ambulance Demo (Advance Life Support)

Sponsored by • Beverly Times • Beverly Health Dept. • Beverly Jaycees • Beverly Hospital

To BHS Take Exit 19 Off Rt. 128 To Sohier Road

Supplement to Beverly Times and Peabody Times, Wednesday, November 15, 1989

Health fair celebrates 12th year of service

By **JOSEPH W. WALSH JR.**
Beverly Health Director

Traditions are not planned, they just happen and the Beverly Regional Health Fair has become a tradition.

For the past eleven years the city, through its Board of Health, has co-sponsored with the Jaycees, Beverly Hospital and Beverly Times a two-day Health Fair which traditionally is always the weekend before Thanksgiving and the beginning of the December holiday season.

Past events have provided North Shore residents with an extensive program of prevention, education and screenings. For those individuals who attend the weekend event and to help them get into the spirit "light and lively entertainment" is provided during the fair.

Beverly's Regional Health Fair is different from others because of its unique commitment. The program includes all children from kindergarten through Grade 8 in the city's public and parochial schools. The program is fun and is geared to be within the student's level of education. This segment of the fair is a prime example of the value of health education at an early age.

The program goal of family participation, whether you are 6, 66 or 96, is obtained with the active role the city's elementary and middle schools have annually provided to make the student's health education both meaningful and enjoyable. This year's theme for all elementary and middle school students is Drugs and Drug Abuse.

We have taken the lead from President George Bush, who wants a drug free America, so this year all posters and table-top projects for all grades will be on a drug related topic.

Each year the committee reviews its health fair goal of providing, in a central location for the entire spectrum of visitors, information on a multitude of health and health related topics in a setting developed purposely to allow attendees the opportunity to review, at their own pace and without distractions, the many exhibits, demonstrations and preventive medicine screenings available, free of charge.

The fair's list of free preventive medicine screening offerings continue each year to increase. The fair provides such varied screenings as diabetes, posture evaluation, podiatry examination, colon cancer kits, eye evaluation for vision and visual fields, hearing testing, glaucoma, cholesterol and others.

The participants are challenged to provide timely information of all health-related resources available to North Shore residents. The challenge to the organization is to inform, direct, and alert area residents to available health resources in Massachusetts. Examples of this information include booths on seasonal or recent health issues such as keeping the air healthy while using a wood stove; testing for high blood pressure; vision screenings and other health problem testing; studies on newly released drugs; symptoms of drug use; health insurance options; and other information that is often times hard to come by.

Our slogan is "To Your Health...A Health Fair," and our symbol is the public health caduceus. Our annual goal is the continued offering of comprehensive health-related information and screening services in a relaxed atmosphere for all who attend the Beverly Regional Health Fair.

We continue to meet or exceed our goals for each year. This year, for example, the fair organizers have rented three cholesterol screening units, and testing on "a first come first served basis" will be offered free of charge.

We are offering this service this year because last year's exit interviews strongly indicated that cholesterol screening was the No. 1 screening service requested.

Also, in conjunction with the fair, the Beverly Regional YMCA and Volks Sports Association will co-sponsor two walks for your health of 6.2 miles or 1.5 miles, which will begin and end at the high school field house. We recommend this walk as a valuable contribution to a person's health profile and we invite all walk participants to visit the 12th annual health fair and view more than 50 booths exhibiting health-related activities.

Joseph Walsh. Jr.

The participants are challenged to provide timely information of all health-related resources available to North Shore residents. The challenge to the organization is to inform, direct, and alert area residents to available health resources in Massachusetts.

Because of increasing demand, three cholesterol screenings, like this one pictured above, will be offered at no charge to visitors to the 12th annual health fair Saturday and Sunday at Beverly High School.

While statistics compiled during the past 11 years have revealed the fair attracts people from all over the North Shore our polls indicate that the Beverly Regional Health Fair consistently draws 4,000 to 5,000 visitors.

Therefore, with the knowledge that we were becoming regional, the committee solicited proclamations from the cities of Beverly, Peabody and Salem proclaiming Health Fair Week on the North Shore (Nov. 13-19) and encouraging residents of their communities to attend the free event.

The Health Fair Committee's goal is to offer a health-related program of activities for everyone under one roof. To maintain this commitment the 50 organization Health Fair is free of charge and open to all North Shore residents.

Plan to take advantage of the many free screening services that are offered. Please remember, however, that these are screening services only, not diagnostic results. Plan to visit each booth at the fair. There is a wealth of audiovisual information, pamphlets, brochures, demonstrations and many interesting displays to view and use to improve your health.

THE BEVERLY REGIONAL
YMCA

THE KEY TO
YOUR HEALTH!

Join Us at the Health Fair
Sat. & Sun, Nov. 18, 19
Join the Volksmarch Walk (10K)
on Sat. Nov. 18th, 10-12 noon

Stop By Our Booth For Basketball
Shooting and ...... Pickup a
Holiday Gift Fitness Certificate Nov. 20-Dec. 2

Sterling Center
254 Essex St.
927-6855

Cabot St. Center
245 Cabot St.
922-0990

Ipswich Center
29 Country Rd.
356-YMCA

Views On Dental Health®

Eli Davidyan, D.M.D.

HOW OFTEN SHOULD YOU SEE A DENTIST?

If you are married to a dentist, you will probably see him every day. For patients it used to be every six months. Today, most dentists believe it should be "as often as necessary".

I know there are more pleasurable things to do than making a dental office visit when there's "nothing wrong", but at the very least, no one can clean his own teeth perfectly and it allows the dentist to keep track of developing problems.

Even if you are certain you have no decay or gum condition, the dentist will probe the gums to make certain that periodontal disease, which can affect everyone, is not quietly developing and will minutely check your teeth with an explorer, or take X-rays to find and treat any hidden cavities. he may find that the potential for trouble is there and want to see you in three months - or may feel that seeing you twice a year is sufficient.

Billions of dollars are spent each year on dental restoration rather than prevention. Regular visits to your dentist are tiny investments in comparison.

We are accepting new patients. For appointment call our office.

A public service to promote better dental health. From the office of: ELI DAVIDYAN, D.M.D., 8 Thorndike St., Bevelry, Phone: 922-0778

Health fair dedicated to veteran Times reporter

The health fair committee, prior to developing the sixth annual offering, noted that many individuals had, during the first five years, made significant contributions to the success of the annual event.

The committee – consisting of representatives from the Beverly Jaycees, Beverly Hospital, Beverly Times and Beverly Board of Health – discussed those special individuals whose extra effort had a positive impact upon the health fair and its growth and acceptance during the founding years. The committee decided to recognize special people by each year dedicating the fair to a certain individual whose unique contributions were instrumental to the fair's success.

The first recipient of our recognition in 1983 was Dr. Jacob H. Fine, chairman of the Beverly Board of Health for 35 years. It was during his tenure that plans for the the original fair was developed.

The 1984 recipients were Bruce Paul, USM plant engineering director, and the USM Corporation, both recognized for their continued contributions to the success of the Health fair.

In 1985, Paul Desjardins, president of Desjardins Jewelers on Cabot Street in Beverly, was honored for his continued donation of all the award ribbons and trophies for presentation to the elementary school children whose works were acknowledged by the committee.

In 1986 the ninth annual Health Fair was dedicated to a Beverly businessman, John E. Panzero, who has donated many years of time and expertise to the fair, doing a very important behind-the-scenes job ensuring that every booth, van and screening program had the electrical power needed for demonstrations and meets the requirements for audio presentation.

In 1987, the milestone 10th fair was dedicated to Dr. James Wasco. He has been a major contributor from the initial planning of the first health fair to being the keynote speaker the nine following fairs.

Wasco has achieved national status as a television medical authority, is a published author, and was responsible for "Evening Magazine" twice featuring the Beverly Health Fair for national viewing.

In 1988 we dedicated the fair to Alvin Mitchell, one of Beverly's finest citizens.

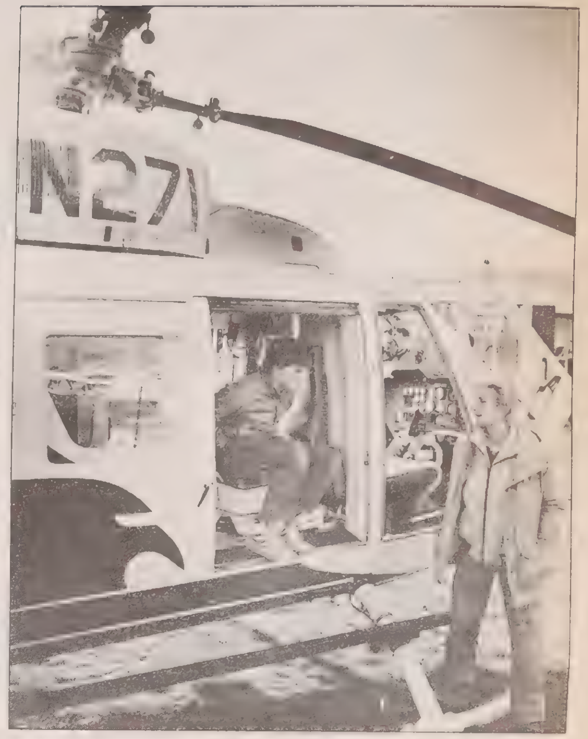
For the past six years Al and his family have unselfishly donated their time and talents to bring their brand of music and entertainment to our Health Fair.

This year we are dedicating the 1989 Health Fair to Virginia "Ginny" Lowry, reporter for the Beverly Times. Over the years Ginny has been an ardent supporter of the Health Fair and has worked diligently to publicize this annual two-day event. She has been responsible for the news articles that appear each year in the Beverly Times' tab section touting the Health Fair. Ginny truly works hard each year to alert the residents of the North Shore to this important health-related event.

The committee, through its spokesperson, Joseph W. Walsh, Jr., director of public health and environmental affairs for the city of Beverly, congratulates this year's honoree and those who have already been honored.

Walsh stated that "Ginny Lowry is what is good with news reporting. For 12 years she has touted the two-day event by advance reporting and feature stories." Walsh noted that "to be able year after year to find a new angle must be tedious." However, he concluded, Ginny was able to alert Times' readers of the benefits available for those who visit the Beverly Regional Health Fair.

Lowry will receive a plaque during the awards program Saturday at 12:45 p.m.



Annual attraction

The Boston Med-Flight helicopter, a popular attraction at previous fairs, is scheduled to visit the fair at the high school once again, conditions permitting.

Lowry has covered fair from first day

By **SHERI LALLAS**
Times staff

BEVERLY – "I've been with the fair since it's beginning," said Virginia Lowry, 47-year-old reporter for the Beverly Times.

Her coverage of the annual event for the last 12 years is one reason why fair organizers have dedicated this year's fair to Lowry.

The fair, which attracts people from all over the North Shore, is a community oriented exposition of health and environmental concerns, according to Lowry. It is open 10 a.m. to 4 p.m. Saturday and Sunday at Beverly High School.

Lowry has written extensively about the fair since its inception in 1978, a year after she began working for the Times.

When she first heard about the fair, Lowry said that she felt that it was an awfully ambitious project for a health department the size of Beverly's to undertake.

"But I knew then if anyone could accomplish it, it would be Jay (Health Director Joseph W. Walsh)," said Lowry.

The fair, according to Lowry, is designed to provide information about various aspects of health care, disease prevention, and physical and mental fitness. Lowry said that there are also many types of medical screenings available.

Lowry attributes the yearly success of the fair to two factors – rhe rise in American health consciousness in the past 12 years or so, and the sheer volume of hard work the health department staff does.

"As soon as one fair ends, planning for the next one begins," said Lowry. "They do an incredible amount of work."

Before accepting the position at the Beverly-based paper, Lowry had worked at the New Bedford Standard-Times covering district and probate court as well as the Bristol County government.

She first "fell into" journalism when she applied for a summer job at her hometown newspaper, the Taunton Daily Gazette, in her junior year of college, so she could complete her undergraduate degree in English at the University of Massachusetts in Amherst.

She worked for the Gazette as a general assignment reporter for three years before moving on.

Lowry has been married to husband Laurence, a nationally-known, freelance aerial photographer, for almost 23 years.

After taking nine years off from the business to have a family, Lowry was itching to get back into the profession.

"I really missed the job the nine years I wasn't working. I was delighted to be back in newspaper work. It felt as though I'd never been away," she said.

The major portion of Lowry's beat at the Times includes police and fire stories.

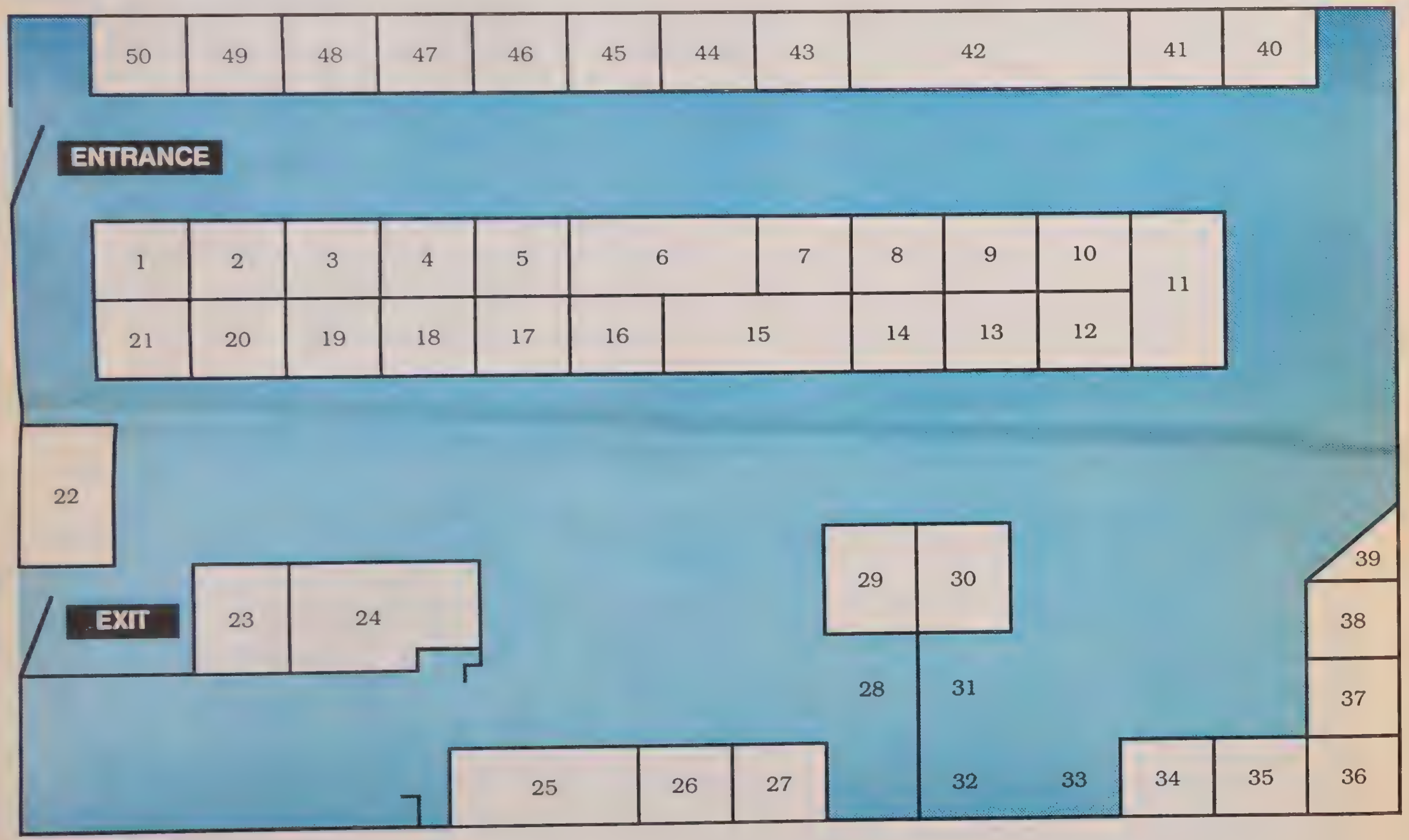
It Makes Sense,
And It May Make Life
A Little Easier.

Transportation made comfortable, simple, and easy to use. The standard wheelchair can aid in convalescence from an illness or when disabled through sickness or injury. Hutchinson carries a full line of wheelchairs from standard to lightweight, electric to one-arm drive models, all designed to fit many needs. At Hutchinson ... we make it easier.

HUTCHINSON MEDICAL, INC.

333 Highland Avenue • Salem, MA 01970 • (508) 741-1770 • (617) 592-5812
1-800-952-4247, (1-800-WL-CHAIR)
Approved By Medicare • Providing Health Care For Over 100 Years

Guide to Health Fair Exhibitors



BOOTH EXHIBITORS

Booth #1 – Walgreens
Booth #2 – Hospice
Booth #3 – Beverly Times
Booth #4 – Essex Medical Society Auxiliary
Booth #5 – Eaton the Druggist Inc.
Booth #6 – Beverly Police Department
Booth #7 – North Shore Comprehensive Care
Booth #8 – Harvard Community Health Plan
Booth #9 – Beverly Council on Aging
Booth #10 – Diabetes Registration
Booth #11 – Beverly Board of Health
Booth #12 – Beverly Hospital - Maternity & Pediatrics
Booth #13 – Beverly Hospital - North Shore Vascular Laboratory
Booth #14 – Beverly Hospital - TIPS/Lifeline Programs
Booth #15 – North Shore Chiropractic Society
Booth #16 – Bay State Health Care
Booth #17 – North Shore Counseling Center
Booth #18 – Mental Health Center of Greater Cape Ann
Booth #19 – American Cancer Society
Booth #20 – Beverly Civil Defense
Booth #21 – League of Women Voters - Hazardous Waste
Booth #22 – Beverly Fire Department - Fire Prevention
Booth #23 – Beverly Board of Health/Bay Area VNA - Cholesterol Screening
Booth #24 – Beverly Regional Y.M.C.A.
Booth #25 – VOSH - New England College of Optometry/Beverly Lions Club
Booth #26 – Myles McPherson Youth Center/Center for Addictive Behaviors
Booth #27 – Massachusetts Podiatric Medical Society
Booth #28 – Beverly Hospital - Pharmacy: Medi-Message Center
Booth #29 – Beverly Hospital - Diabetes Education and Support
Booth #30 – Beverly Hospital - Med Quest
Booth #31 – Beverly Hospital - Women's Health and Breast Health Center
Booth #32 – Beverly Hospital - Rehabilitation Services
Booth #33 – Beverly Hospital - Volunteer Services
Booth #34 – Beverly Hospital - Surgery and Anesthesia
Booth #35 – Beverly Hospital - Surgery and Anesthesia
Booth #36 – Beverly Hospital - Nutrition Services
Booth #37 – Beverly Hospital - Cardiopulmonary Services
Booth #38 – Beverly Hospital - Optifast and Center for Nutritional Research
Booth #39 – Beverly Hospital - Hearing Registration and hearing Clinic (Saturday only)
Booth #39 – Beverly Hospital - Center for Family Development (Sunday only)
Booth #40 – Beverly Dental Clinic
Booth #41 – Massachusetts Society of Eye Physicians and Surgeons
Booth #42 – Beverly School Department
Booth #43 – VNA of the North Shore Inc.
Booth #44 – North Shore Community College - Allied Health
Booth #45 – North Shore Community College - Nurse Education
Booth #46 – Project Rap
Booth #47 – Beverly Safety Council
Booth #48 – Beverly Center
Booth #49 – American Heart Association
Center Table – Beverly Clowning Ministries - Children's Face Painting, Saturday, 1 to 4 p.m., and Sunday, 1 to 4 p.m.

SCHEDULED EVENTS

Saturday, Nov. 18, 1989
10 a.m. – Open fair
10:15 a.m. – Beverly High School Jazz Band
12:45 p.m. – Awards ceremony: Poster/table top projects, slogan contest
1:15 p.m. – Keynote speaker: Representative of the Massachusetts State Police - Topic: Drug abuse
2 p.m. – North Shore Karate Academy
3 p.m. – "Clown Moon"

Sunday, Nov. 19, 1989
10 a.m. – Open fair
10:15 a.m. to 12:15 p.m. – To be announced
1 p.m. – Jerry Langlais, magician
2 p.m. – Mitchell's Dance Studio
3 p.m. – Manuel's Black and White Orchestra

SPECIAL ATTRACTION

VOLKSMARCH
Saturday, Nov. 18, 1989 – Sunday, Nov. 19, 1989
Sponsored by the Beverly Y.M.C.A.
and Volk Sports Association

Registration – 9:30 a.m.

SCREENING SERVICES

Booth	Exhibitor	Screening
1	Walgreens	Blood pressure
7	North Shore Comprehensive Care	Cholesterol
9	Council on Aging	Height, weight
11	Beverly Board of Health	Diabetes
15	North Shore Chiropractic Society	Postural
23	Board of Health/Bay Area VNA	Cholesterol
25	VOSH/Beverly Lions Club	Glaucoma
27	Mass. Podiatric Medical Society	Feet
39	Beverly Hospital (Sat. only)	Hearing
41	Mass. Society of Eye Physicians	Vision
44	North Shore Community College Allied Health	Oxygen by oximetry

Screenings keep ailments in check

By VIRGINIA LOWRY
Times staff

BEVERLY -- Violet Hart, Kay Silverio and Phil Dodge relaxed in chairs outside the second-floor Health Department office at City Hall on a recent Thursday afternoon.

Although public health nurse Joanne LeClerc was working alone – fellow nurse Jan Dooling was off that day – the wait was not a long one for Hart, Silverio and Dodge.

The three are among nearly 2,700 Beverly residents who regularly take advantage of what they consider the biggest medical bargain in the city.

Each has high blood pressure and, because blood pressure levels must be monitored carefully, attends the Health Department's blood pressure screening clinics held each Thursday. Besides helping to ensure their physical wellbeing, clinic clients each can save up to hundreds of dollars a year they otherwise would spend on visits to doctors' offices.

According to Health Director Joseph W. Walsh Jr., public health nurses did 5,362 blood pressure readings on 2,702 clients in the first nine months of this year. The blood pressure clinics are in addition to Health Department screenings and/or immunizations for diabetes, tuberculosis, lead paint, cholesterol, measles mumps rubella, influenza and pneumonia, he said.

As for the blood pressure clinics, said Walsh, visiting the Health Department saves clients – most of whom are elderly and on fixed incomes – a substantial amount they would spend on doctors' visits.

"This isn't haphazardly done," the health director said. "We keep a copy of their permanent record on their blood pressure. We also give them a card to show their doctor.

"A lot of them are doctor referrals," Walsh confirmed. "It's a professional program, and the barometer for me in a professional program is acceptance by local physicians who routinely refer their patients."

Virginia Lowry photo

Public health nurse Joanne LeClerc regularly monitors blood pressure of Ryal Side residents Al and Julia Novello at Beverly Health Department office.

Waiting her turn outside the office, Hart, a Turtle Creek resident, said that "I come every week for monitoring my blood pressure." Like many other clinic clients, she said she was referred to the Health Department by her doctor.

Silverio said her physician also wants her blood pressure monitored closely. "But, you only see him (the doctor) once a year and a lot can happen in a year."

Silverio, whose 4-year-old grandson, Matt Green, accompanied her to City Hall and waited patiently, also pointed to the danger high blood pressure can pose if not monitored."Sometimes, people walk around with it and don't know they have it," she said. The clinic provides an opportunity for "great" preventive care, according to Silverio.

Dodge, who was next in line, has been a clinic client for about two years at his doctor's suggestion. He peered into the Health Department office, where LeClerc was busy discussing an unusual blood pressure reading with a client.

"I always have Jan (Dooling)," said Dodge. "But I don't see her there today."

However, Dodge hastened to add, "they're both very efficient."

Inside the office, LeClerc said she and Dooling usually see a combined client load of close to 100 each Thursday. As many clients as they see, however, the nurses recognize each one, are aware of the medical history and needs of each and chat with most like old friends.

"Jeannette, your blood pressure is excellent today," LeClerc said to one woman. But the woman told the nurse she had been feeling dizzy.

LeClerc consulted her records and realized the woman had been taking a different medication than usual. That was the signal for some definite advice from the nurse.

"If you're getting dizzy taking (the medication), you should call the doctor right away," she advised.

Both nurses take an obvious interest in their patients, offering words of caution or reassurance and explaining figures they enter onto a wallet-size card given to each. The blood pressure readings also become a part of the Health Department's permanent files.

"Your blood pressure is down to normal," LeClerc reassured one white-haired man, who responded with a huge grin.

"You take care," she called out, as the man left to make way for another client.

Many of the clients said that the blood pressure clinic offers them more than just medical monitoring or reassurance that they are doing all right. Those clients regard LeClerc and Dooling as valued friends, as well.

"Here's one of our favorite regulars," said LeClerc, as Walter Richardson entered the office. "We have a lot of favorites," she said.

"He comes in blizzards, in heat," LeClerc added, as Richardson sat down.

"It's because of her and Jan, too," Richardson joked, pointing to LeClerc and running one hand over his white crew cut.

The admiration is mutual.

"If we don't see Walter, we call his house to see what's the matter," said the nurse.

Countered Richardson, "there's a lot of people who come in here and go out better because of those two."

Health Fair draws from artistic talents in local classrooms

By VIRGINIA LOWRY
Times staff

BEVERLY – The last few weeks, art students throughout the city's schools have been busy on a project that has become a fall tradition, and the result will be a wealth of artwork featured at next weekend's Beverly Regional Health Fair.

Participating will be youngsters in kindergarten and grades one, two and three in all public elementary schools, as well as St. John's and St. Mary's schools, according to Health Director Joseph W. Walsh Jr.

"They do a project within their ability with teacher support on any health-related topic of their choosing," said Walsh. "This year, it's been suggested they do something on drugs and drug abuse, but they're not limited to that," he added.

This year's subject at Briscoe and Memorial, Beverly's two middle schools, is "Drug Abuse and the War on Drugs," according to Memorial art teachers Betsy Desmond and Eileen Iacobucci. Both of Desmond and Iacobucci's sixth-grade art classes – a total of 45 students – participated in the poster contest, with three posters from each class selected for competition at the Health Fair.

Posters will be judged by members of the Beverly Kiwanis Club, who sponsor the project. Winners will receive prizes of $25, $15, $10, $5 and honorable mention.

Other posters will be judged by a committee that includes Dr. Frank Carbone, chairman of the Board of Health; George Traicoff, president of North Shore Community College; Dr. Miguel Martinez of the Beverly Hospital emergency staff, Beverly Hospital president Robert Fanning and School Superintendent Jean Perron.

Walsh said ribbons for first, second, third, fourth and honorable mention prizes, as well as trophies, have been donated this year, as in the past, by Desjardins Jewelers.

The Health Fair will begin at 10 a.m. Saturday, with a 10:15 a.m. performance by the Beverly High School Jazz Band. An awards ceremony, when prizes are awarded to youngsters participating in the fair, is scheduled for 12:45 p.m.

At 2 p.m. Saturday, there will be a performance by North Shore Karate Academy, followed by a 3 p.m. appearance by "Clown Moon."

On Sunday, magician Jerry Langlais will perform at 1 p.m., Mitchell's Dance Studio at 2 p.m. and Manuel's Black and White Orchestra at 3 p.m.

Virginia Lowry photo

Sixth-grade pupils in Eileen Iacobucci's class at the Memorial Middle School work on Health Fair posters.

Fair chairman worries about budget effects

By VIRGINIA LOWRY
Times staff

Because money has been cut from the state budget, public health professionals are predicting a likely measles epidemic.

BEVERLY – The long-term chairman of the Beverly Board of Health, like other health professionals throughout Massachusetts, is concerned about the future of public health because of budget crunches that, inevitably, will affect individual communities.

Not only will less money be available, "but unfortunately, the Board of Health is going to get called on to do some of those things other agencies can't," said Dr. Frank Carbone.

Carbone, who has chaired the Beverly board for well over a dozen years, pointed to last year's citywide testing for radon gas. The project was the most comprehensive yet conducted in Massachusetts.

Beverly health inspectors "were magnificent," Carbone said. He said that, with luck and financial backing, "I'm sure next year there'll be another project."

But, like state public health officials, Carbone bemoans the loss of some critical services, such as vaccines for children. Because money has been cut from the state budget, public health professionals are predicting a likely measles epidemic.

"It costs $20 to buy and give preventive vaccine," said Carbone. "Where's the money going to come from?"

Another critical health department program which could suffer, according to the chairman, is testing children for lead paint ingestion. Although lead paint poisoning is widespread in Massachusetts, a new core for Beverly's test machine – required every three years – costs $2,000, he said.

"These are all the services that are going to fail if something isn't done," Carbone concluded.

It's Not Easy Being PERFECT But Somebody Has To Do It!

Dr. Frank Carbone, chairman of the Beverly Health Fair, shares a concern with other health professionals that a tighter state budget could have an adverse affect on municipal health programs, such as vaccinations.

Directions to the Beverly health fair

Each year the health fair attracts between 4,000 and 5,000 people, many of them from outside Beverly so here are some directions:

Anyone coming from the south (Peabody, Danvers) can take Route 128 north to exit 19 (Sohier Road).

Continue up Sohier Road past the Roller Palace and up over the hill. Beverly High School is on the right and the fair is in the auditorium off the lower parking lot.

Anyone coming from the north (Manchester) can come south on Route 128 and get off at exit 19. At the stop sign, take a left on Brimbal Avenue, then the first right, then a left onto Sohier Road.

Beverly High School is over the hill on the right.

The fair is open Saturday and Sunday 10 a.m. to 4 p.m. and is free.

Health fair first: Walk for health

By VIRGINIA LOWRY
Times staff

BEVERLY – For the first time, the Beverly Regional Health Fair will be offering North Shore residents an opportunity to walk.

Yes, walk, says the YMCA's Diane Jacobs.

It really isn't such a revolutionary idea, according to Jacobs and officials of the American Volkssport Association. But organized walking has only caught on in recent years in this country.

The YMCA and Volkssport Association are offering opportunities to walk for health and fun. On Saturday and Sunday, health fair visitors may participate in either a 1.5-mile Beverly Health Walk or a 6.2-mile Volksmarch. The walks begin and end at Beverly High School.

Either choice, said Jacobs, is "a non-competitive event where people walk to win either credits or badges or medals."

Some walkers, she said, keep record books.

"It's like for personal accomplishment," Jacobs said. "They purchase books and each time they complete an event they get a stamp and keep track. They keep track of how many miles they have walked. There's no competition whatsoever."

Both walks will begin each day of the health fair between 10 a.m. and noon. Walkers must complete their courses by 4 p.m.

"They can just come up to the health fair. They just go up and sign up," said Jacobs. She said volunteers will be on hand to direct the walkers along their courses.

Anyone may walk at no cost, said Jacobs. But those wishing to walk for medals will be charged $5 and those walking for credit only will be charged $1.50.

No matter what the motivation or whether medals or credits are given, walking is simply a good health habit to acquire, according to one well-known medical expert.

"Walking is a good exercise," said Dr. Randolph Maloney. Maloney is a Beverly-based vascular surgeon who, in addition to performing surgery here and in Boston, works with many patients who suffer circulatory problems.

Walking is beneficial, Maloney said, "first of all because it gets you outside into the fresh air, or at least some place where you can really breathe.

"The cardiovascular effect is to increase the circulation to your limbs and your upper body," Maloney added. "Usually, they ask you to walk swinging your arms. You're increasing the circulation to your limbs, you're exercising your arm muscles. By repeatedly doing this, you're building up a stamina and your conditioning."

the Corner Store with More
Eaton the druggist

12TH ANNUAL
Health Fair

EATON APOTHECARY WELCOMES YOU TO VISIT OUR BOOTH AND SAY HELLO TO ONE OF OUR PROFESSIONAL PHARMACISTS.

SOMEONE TO ANSWER ALL QUESTIONS PERTAINING TO MEDICATIONS AND WHAT THE NEW "GENERIC SUBSTITUTION LAWS" MEAN TO YOU.

OVER 4 DECADES OF TRUSTED PHARMACY SERVICE

SALEM
193 Washington St.
744-0161
33 New Derby
745-2114

BEVERLY
57 Dodge St.
922-1022

CLIFTON
241 Humphrey
631-1887

NEWTON
425 Centre St.
244-3700

WELLESLEY
570 Washington St.
235-0035

SWAMPSCOTT
146 Humphrey
593-0161

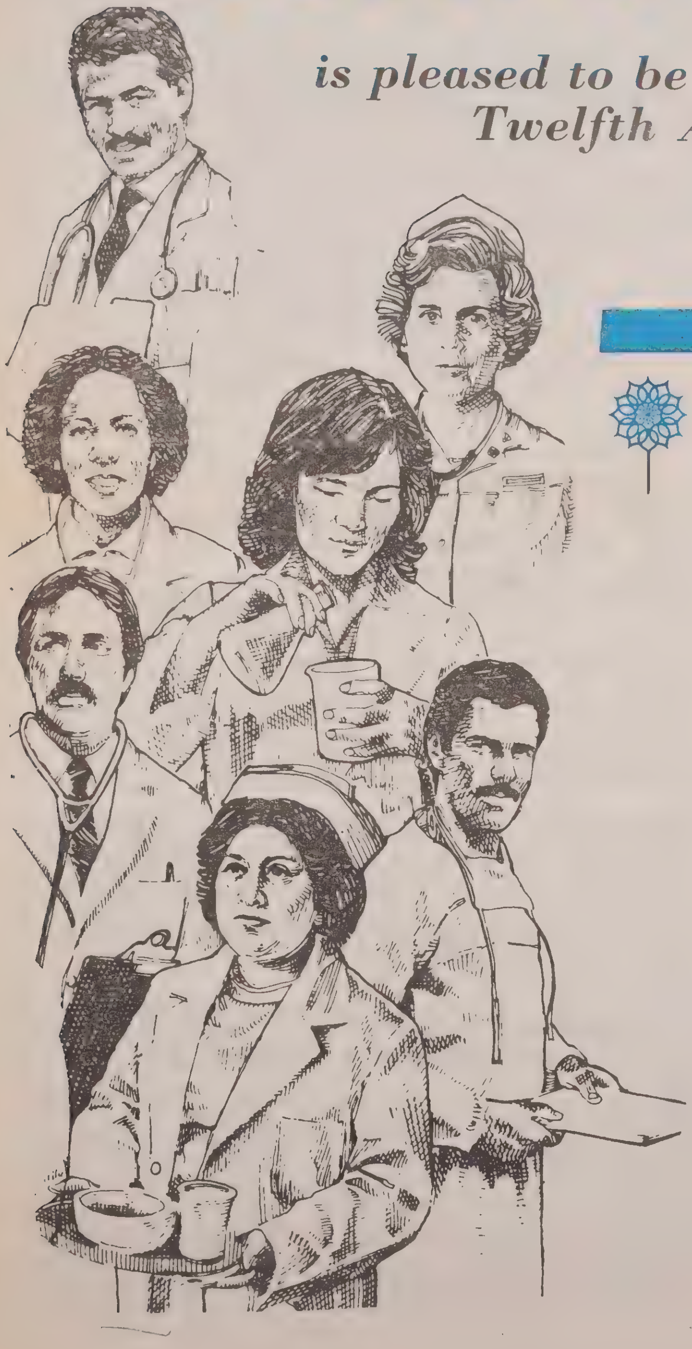
NORTH ANDOVER
180 Pleasant St.
683-3832

BOSTON
533 Columbia St.
436-0155

WELLESLEY HILLS
266 Washington St.
235-1909

MARBLEHEAD
31 Atlantic Ave.
631-0800

BEVERLY HOSPITAL



is pleased to be a co-sponsor of the Twelfth Annual Health Fair.

Don't miss our booths
No. 12-14, 28-39

HEALTH SERVICES:

Maternity Services
TIPS for Seniors
Pharmacy
Diabetes Education
Women's Health
Career Exploration
Surgical Services
Oncology Services
Rehabilitation Services
Nutritional Services
Cardiopulmonary Dept.
Optifast Weight Loss Program
North Shore Vascular Laboratory

AFFILIATED ORGANIZATIONS:

Bay Area Visiting Nurse Association
Center for Addictive Behaviors

BEVERLY
HOSPITAL
More than a Hospital...a Family Centered Health Care System.

Herrick & Heather Streets • Beverly, MA 01915 • 617/922-3000

Salem News

Bank president withdraws

IPSWICH — James M. Barney, 42, resigned as president of the Ipswich Savings Bank last week, according to the bank's interim chief executive officer, David L. Grey of Marblehead.

Barney's departure this week was by "mutual agreement between Jim and the bank," said Grey on Friday.

Grey has been with the Ipswich Savings Bank for four years and has been executive vice president under Barney.

Barney will continue working with Grey during a transition period, but will then "pursue several opportunities," said Grey, who emphasized it will be "business as usual" at the savings bank.

"Jim and I have worked together to put together a strategy plan. The bank will remain independent, as it has for 120 years," said Grey.

JAMES M. BARNEY

Grey acknowledged that "soft real estate loans" — a problem common to many banks — played a part in Barney's departure.

Most of the bank's loans have been for single-family homes or construction loans to developers building one or two homes, he said.

Too many developers have "just not been able to sell the house they built," Gery said.

And "a lot of people built their dream house, but have had difficulty selling their original house," he said.

The bank has $1 million as a loan loss reserve and Grey said it would be enough to cover any potential loss.

Bank president resigns

Ipswich Chronicle

By Meredith Fine 11/16/85

James Barney, who resigned last week after 12 years as president of the Ipswich Savings Bank, says he will probably leave banking altogether.

"I'm exploring two or three options that have been available to me for a while," he said Tuesday, adding he is looking forward to going in "new directions."

On Monday, the bank's board of directors elected David L. Grey of Marblehead as the new president.

Grey has been with the Ipswich Savings Bank for three and a half years, as chief financial officer and executive vice president

resigns . . .

An active member of several ivic organizations, Barney said e has no plans to leave Ipswich. I don't expect we would be movng," said the North Main Street esident.

The job possibilities, which he eclined to list, are all in the Greter Boston area, he said.

He described the personnel hange at the bank as amicable, as these things go."

Grey said the bank is in a strong position and continues to show positive earnings every quarter.

The press release stated: "Jim Barney's resignation is unfortunate, as the bank has experenced success during the past 12 ears, due to his enthusiasm and leadership role in the bank and the community."

Still, Grey acknowledged there are "several soft loans ... spread over several borrowers."

Grey would not specify the loans. Barney said it would be inappropriate for him to comment on the bank's business.

There is $1 million in reserve to cover all loans, said Grey. The rule of thumb is to keep 1 percent of the bank's total loans in reserve, he said, in which case the bank would ordinarily only need about $850,000.

Loans, said Grey, are "an inexact science." The Ipswich Savings Bank, by its charter, confines its loans to residential building, which has stagnated recently.

In response to questions, Grey said there was "absolutely" no hint of any financial problems or irregularities at the bank.

Prior to coming to Ipswich, Grey worked for what is now the Fist Colonial Bank as chief financial officer and treasurer.

First Colonial has about $500 million in assets. By contrast, the Ipswich Savings Bank has a total of about $100 million in assets.

Grey said he came to Ipswich because he wanted "more of a broad-based background in banking."

He anticipated that "over the next couple of years, we will stick to our knitting, if you will."

He also said he expects the bank will remain independent, as it has been for 120 years.

HOLIDAY HAPPENING: A selection of gold jewelry (sold below market prices), creative holiday greens, and the opportunity to win anything from a pewter tea service to a holiday turkey are among the highlights of Beverly Hospital Aid Association's Holiday Happening raffle and craft fair on Dec. 1.

To be held in the hospital lecture hall from 10 a.m. to 3 p.m., the fair will offer a large selection of holiday crafts, baked goods and decorative greenery. Schylling Associates and the Sunflower Gift Shop will be among the 12 to 15 crafters to display their goods at the fair.

Raffle tickets for more than 22 items are currently on sale for $1 at the hospital's Volunteer Department. Tickets will continue to be sold until the end of the fair, at which time the drawing of winners names will take place.

Proceeds form the fair benefit the Beverly Hospital Scholarship Program which provides student volunteers the resources necessary to pursue education and career opportunities in the health care field.

Bev Times 11/17

HEALTH CLINIC: The Bay Area Visiting Nurse Association will be sponsoring their monthly health maintenance clinic today at noon. This is a change in day and time from previous health maintenance clinics. This month, the topic of the health maintenance clinic will be "Living With Chronic Pain," and will be presented by Susan Sepich, health instructor, at Bay Area Visiting Nurse Assn. Following the presentation, there will be a short time for questions.

The clinic is held in the Whittier Manor Recreation Hall, at Caroline Avenue in Ipswich, and all residents of Ipswich over the age of 60 are encouraged to attend.

Registered nurses will also see participants individually to take blood pressure and review medications after the presentation.

The clinic is offered by the Bay Area Visiting Nurse Association and funded, in part, by the Senior Home Care Services, Inc.

For information, call Bay Area VNA, at 922-1722 or 356-5055.

Bev Times 11/17

Salem News

Bank president withdraws

IPSWICH — James M. Barney, 42, resigned as president of the Ipswich Savings Bank last week, according to the bank's interim chief executive officer, David L. Grey of Marblehead.

Barney's departure this week was by "mutual agreement between Jim and the bank," said Grey on Friday.

Grey has been with the Ipswich Savings Bank for four years and has been executive vice president under Barney.

Barney will continue working with Grey during a transition period, but will then "pursue several opportunities," said Grey, who emphasized it will be "business as usual" at the savings bank.

"Jim and I have worked together to put together a strategy plan. The bank will remain independent, as it has for 120 years," said Grey.

JAMES M. BARNEY

Grey acknowledged that "soft real estate loans" — a problem common to many banks — played a part in Barney's departure.

Most of the bank's loans have been for single-family homes or construction loans to developers building one or two homes, he said.

Too many developers have "just not been able to sell the house they built," Gery said.

And "a lot of people built their dream house, but have had difficulty selling their original house," he said.

The bank has $1 million as a loan loss reserve and Grey said it would be enough to cover any potential loss.

Bev Times 11/17

HOLIDAY HAPPENING: A selection of gold jewelry (sold below market prices), creative holiday greens, and the opportunity to win anything from a pewter tea service to a holiday turkey are among the highlights of Beverly Hospital Aid Association's Holiday Happening raffle and craft fair on Dec. 1.

To be held in the hospital lecture hall from 10 a.m. to 3 p.m., the fair will offer a large selection of holiday crafts, baked goods and decorative greenery. Schylling Associates and the Sunflower Gift Shop will be among the 12 to 15 crafters to display their goods at the fair.

Raffle tickets for more than 22 items are currently on sale for $1 at the hospital's Volunteer Department. Tickets will continue to be sold until the end of the fair, at which time the drawing of winners names will take place.

Proceeds form the fair benefit the Beverly Hospital Scholarship Program which provides student volunteers the resources necessary to pursue education and career opportunities in the health care field.

Bev Times 11/17

HEALTH CLINIC: The Bay Area Visiting Nurse Association will be sponsoring their monthly health maintenance clinic today at noon. This is a change in day and time from previous health maintenance clinics. This month, the topic of the health maintenance clinic will be "Living With Chronic Pain," and will be presented by Susan Sepich, health instructor, at Bay Area Visiting Nurse Assn. Following the presentation, there will be a short time for questions.

The clinic is held in the Whittier Manor Recreation Hall, at Caroline Avenue in Ipswich, and all residents of Ipswich over the age of 60 are encouraged to attend.

Registered nurses will also see participants individually to take blood pressure and review medications after the presentation.

The clinic is offered by the Bay Area Visiting Nurse Association and funded, in part, by the Senior Home Care Services, Inc.

For information, call Bay Area VNA, at 922-1722 or 356-5055.

Bank president resigns

Ipswich Chronicle

By Meredith Fine 11/16/89

James Barney, who resigned last week after 12 years as president of the Ipswich Savings Bank, says he will probably leave banking altogether.

"I'm exploring two or three options that have been available to me for a while," he said Tuesday, adding he is looking forward to going in "new directions."

On Monday, the bank's board of directors elected David L. Grey of Marblehead as the new president.

Grey has been with the Ipswich Savings Bank for three and a half years, as chief financial officer and executive vice president.

A prepared release stated:

Continued on Page 5

James Barney is looking toward new challenges.

resigns . . .

An active member of several ivic organizations, Barney said e has no plans to leave Ipswich. I don't expect we would be moving," said the North Main Street esident.

The job possibilities, which he eclined to list, are all in the Greter Boston area, he said.

He described the personnel hange at the bank as amicable, as these things go."

Grey said the bank is in a trong position and continues to how positive earnings every uarter.

The press release stated: "Jim arney's resignation is unfortuate, as the bank has experenced success during the past 12 ears, due to his enthusiasm and leadership role in the bank and the community."

Still, Grey acknowledged there are "several soft loans ... spread over several borrowers."

Grey would not specify the loans. Barney said it would be inappropriate for him to comment on the bank's business.

There is $1 million in reserve to cover all loans, said Grey. The rule of thumb is to keep 1 percent of the bank's total loans in reserve, he said, in which case the bank would ordinarily only need about $850,000.

Loans, said Grey, are "an inexact science." The Ipswich Savings Bank, by its charter, confines its loans to residential building, which has stagnated recently.

In response to questions, Grey said there was "absolutely" no hint of any financial problems or irregularities at the bank.

Prior to coming to Ipswich, Grey worked for what is now the Fist Colonial Bank as chief financial officer and treasurer.

First Colonial has about $500 million in assets. By contrast, the Ipswich Savings Bank has a total of about $100 million in assets.

Grey said he came to Ipswich because he wanted "more of a broad-based background in banking."

He anticipated that "over the next couple of years, we will stick to our knitting, if you will."

He also said he expects the bank will remain independent, as it has been for 120 years.

Work done on House's bill to cut budget

BEV Times
11/17

BOSTON (AP) – The House will finish work this week on a package to reduce the state's $721 million deficit, and will meet on Saturday if necessary to send the bill to the Senate, House Speaker George Keverian says.

Keverian, D-Everett, said he hoped the bill would be moved to the Senate by late tonight, but warned he will work into the weekend if needed.

The House worked until nearly 10 p.m. Thursday, but did not make any significant additional cuts in state spending.

The deficit-reduction bill is now estimated to be worth $400 million to about $420 million in cuts and savings, but no one has a firm bottom-line figure.

The House on Thursday voted to give cities and towns a bigger chunk of lottery wagering, worth about $30 million in extra local aid.

The vote came despite warnings it could reduce betting by cutting the dollar amount of prizes offered by the state-run games.

Meanwhile, the Massachusetts Taxpayers Foundation, a respected business-backed government watchdog group, warned the House's deficit-reduction efforts may be more rhetoric than substance.

"What concerns us most is time," the foundation said in a legislative bulletin. "It appears that several more weeks will go by before the House and Senate complete the current round of activity. Each day that passes makes it that much harder to bring increased costs into line with declining revenues.

"State officials, however, continue to be preoccupied with noisy bickering over how to deflate the 'bloated bureaucracies' while saving the 'essential services,'" the Foundation said.

In addition, the state sold $140 million in short-term notes Thursday, one day after Moody's Investors Service downgraded its rating on the state's long-term debt from A to Baa 1, tying Massachusetts with Louisiana as the lowest-rated state in the nation.

Deputy Treasurer Patrick Sullivan said the downgrading only applied to long-term debt, and not the one-year short-term notes the state sold to pay overdue Medicaid bills.

Sullivan said the state got 31 bids from 14 investment Houses on the notes, and sold them at an average interest rate of 6.48 percent. Some analysts said that was slightly higher than it would have been had the long-term credit rating not been lowered. The state sold short-term notes in September at a 6.53 percent interest rate, but interest rates have been dropping nationally since then.

Sullivan said he felt the ratings drop had little impact. He warned, however, the downgrading would have an impact next month, when the state markets $200 million in long-term bonds.

"I think the notification from the rating agencies is more a warning to the administration and the Legislature they would like to see things in a more positive vein before our next long term sale in mid December," Sullivan said.

The lottery amendment was originally approved late Wednesday night after being offered by Rep. Frank Hynes, D-Marshfield.

But Rep. Kenneth Lemanski, D-Chicopee, asked Thursday that it be reconsidered, saying, "People in Massachusetts are not stupid. If there is less of a chance for them to win, they will not buy as many tickets."

Rep. William Galvin, D-Boston, backed Lemanski, and said, "This is Ouija board economics."

Dukakis looks to the brighter side

11/17/89 Boston Globe

'Bullish . . . although we're in a flat period'

By Joan Vennochi
GLOBE STAFF

The great fiscal crisis of 1989 continued yesterday on Beacon Hill. Legislators tried to bring balance to an unbalanced budget, while protesters staged a "human needs vigil" against the seemingly ceaseless budget cuts.

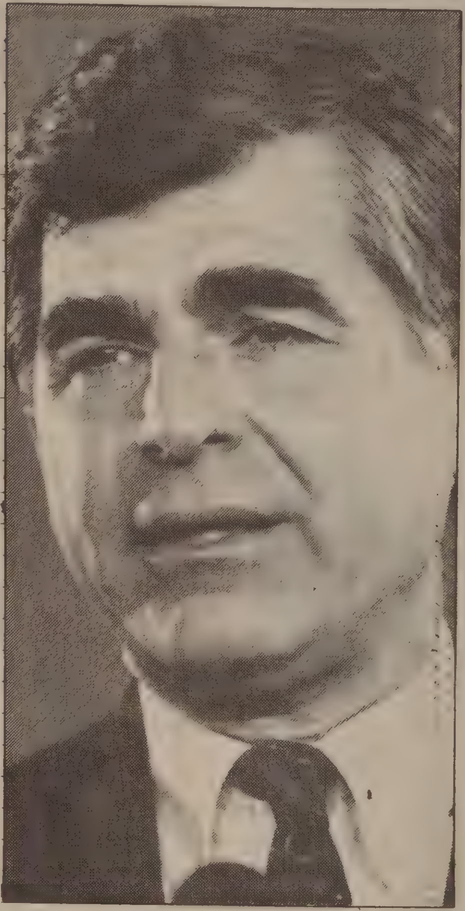
Inside his office, Gov. Dukakis sipped from a mug emblazoned with the cheery slogan "I'm a community college lover." What sounded like gale-force winds rattled the windows, like bad spirits (sent by Barbara Anderson?) trying to force their way into his relatively tiny, inner sanctum.

But Dukakis ignored the wind, just as he tried to ignore the gloomy headlines in what seems to be his new mission: An effort to focus attention on what he sees as the good news in this state during his last 14 months in office.

In a speech delivered Tuesday at MIT, Dukakis acknowledged for the first time that the so-called Massachusetts Miracle is gone. That concession notwithstanding, Dukakis yesterday described his outlook on the economy as "bullish . . . although we're obviously in a flat period."

Through it all, he is still a governor who can talk enthusiastically about "polymers and plastics" as the "sleeper" success story of the Berkshires, and express even more enthusiasm for a scheduled meeting today in Pittsfield with 45 plastics company executives.

DUKAKIS, Page 33



'As soon as we balance this budget, the bond rating situation is going to stabilize.'

GOV. DUKAKIS

N.E. analysts see worse ahead

BY CHARLES STEIN
GLOBE STAFF

Things will get worse before they get better.

That was the thrust of the forecast for the New England economy laid out yesterday by the New England Economic Project, a respected group of analysts that track the fortunes of the local economy. The economists predicted that New England would lose jobs in 1990, with most of the declines coming in manufacturing and construction.

Massachusetts will do slightly worst than the region as a whole, according to the forecast. The state is expected to shed 30,000 jobs, its poorest performance since the recession of 1982. The jobless rate will hit 5.6 percent, said NEEP, bringing it roughly in line with the national average. Of the six New England states, only Maine is expected to gain jobs next year, and that gain will probably be tiny.

The forecast calls for a recovery in 1991, "but it will be a slow crawl back up," said Gary Ciminero, chief economist of Fleet National Bank in Rhode Island.

NEEP, Page 33

said Ciminero, is a slowdown in the service sector. "We had growth in nonmanufacturing that was unsus-

cantly smaller job base. In 1975 the state lost 80,000 jobs.

around. More typically, he talks the merit of the case, not the politics.

Dukakis still optimistic about economy

BOSTON (AP) – Gov. Michael S. Dukakis says his outlook on the Massachusetts economy is "bullish ... although we're obviously in a flat period."

Projections indicate the state will finish the fiscal year June 30 with a budget deficit of $720 million, and Moody Investors Service has given the state the lowest creit rating in the nation, tied with Louisiana.

"As soon as we balance this budget, the bond rating situation is going to stabilize," Dukakis said Thursday.

"The financial markets know that this state fundamentally has a lot of economic strength."

Asked if predictions of further recession make it more difficult to convice companies to operate in Massachusetts, he said, "98 percent of a state's economic growth is internal."

Asked about thousands of layoffs from high technology companies, the governor said executives at Bull Information told him, "Don't forget mini-computers; we're not going away."

And, he added, "They have had to lay off some people, but they've hired 500 new people to do different things. Most of the folks they've had to lay off have found jobs in other places."

On real estate, Dukakis said, "If I were in the real estate business, I wouldn't be very happy.

"On the other hand, the runaway cost and inflation was killing us," he said and lower prices might make it easier for young families to buy houses.

11/17 Bev Times

ing bala

protest

kakis looks to brighter side

DUKAKIS

Continued from Page 29

Nor has Dukakis changed his way of embracing the positive, while testily declining to acknowledge the conventional-wisdom view of the negative.

There are thousands of layoffs in the high-tech field?

Dukakis says that executives at Bull Information reminded him at a press conference yesterday, "Don't forget mini-computers, we're not going away."

Adds Dukakis: "They have had to lay off some people, but they've hired 500 new people to do different things. Most of the folks they've had to lay off have found jobs in other places."

Is it tougher to convince companies to set up shop in Massachusetts, given the dire projections of further recession?

Snaps Dukakis: "Ninety-eight percent of a state's economic growth is internal."

The real estate industry is soft?

"If I were in the real estate business, I wouldn't be very happy. On the other hand, the runaway cost and inflation was killing us," observes Dukakis, noting that the lower prices might make it easier for young families to buy a house.

The governor applies that same brand of optimism to the news that Moody's Investors Service is giving Massachusetts the lowest credit rating in the nation: "As soon as we balance this budget, the bond rating situation is going to stabilize ... The financial markets know that this state fundamentally has a lot of economic strength."

And by the way, the plummeting credit rating helps the Legislature accept the political reality of taxes, says Dukakis, who never uses the T-word and refers repeatedly to the budget impasse as "this thing" – as in "we're still trying to straighten this thing out."

Not surprisingly, Dukakis is also optimistic that "this thing" will get straightened out.

"I think everybody's getting kind of fed up. It's about time to cut the mustard," he says.

Asked when, he refers to another time – 1975 – and another budget crisis. "Last time I went through this was a long time ago. It took us to November to finally resolve the problem," recalls Dukakis.

The governor does not mention that the 1975 crisis was resolved with the backing of two key legislative leaders who wielded enormous power, former Senate President Kevin Harrington and former House Speaker Thomas McGee, leadership that is clearly lacking this time around. More typically, he talks the merit of the case, not the politics.

New England analysts say the worst is ahead

NEEP

Continued from Page 29

The Massachusetts economy has been sinking since the beginning of the year. Traditional manufacturing firms have been steadily losing jobs, in part, because the state's high wages and high costs have made it difficult for them to compete. In high-technology, Massachusetts' minicomputer makers have been hurt by the rise of small personal computers and workstations, most of which are made on the West Coast. And military contractors are feeling the pinch of flat defense spending.

Making a bad situation worse, said Ciminero, is a slowdown in the service sector. "We had growth in nonmanufacturing that was unsustainable," he said. "Now that too has come to a halt."

Peter Kozel, chief economist at Shawmut Bank, said many of Massachusetts' problems can be seen as problems of adjustment. "When you've gone through a boom period, where you have overproduced, to get back to equilibrium, you have to downsize," he explained. "That happens in housing, jobs and construction. It may take a few years for the process to work itself out."

On the bright side, Kozel pointed out that next year's tumble will be less severe than past recessions. In 1982, the last down year, Massachusetts lost 30,000 jobs from a significantly smaller job base. In 1975 the state lost 80,000 jobs.

BEV TIMES 11/20/89.

Holak named director of volunteer services

STRICTLY FOR SENIORS

By Hazel Davenport

Mary Ann Holak, a Beverly resident and graduate of Beverly High School, has been named director of Volunteer Services at Beverly Hospital by Kimberly A. Smith, vice president, Human Resources.

During her high school years, Holak was a candy-striper at the hospital. Continuing her education she attended the University of Vermont where she received a Bachelor of Science degree in social work. She received her master of science degree in recreation management at Northeastern University.

For the past several years Mary Ann has been a program manager with the Office for Children, a state agency.

This involved setting up and administering a statewide licensing program. The unit that she managed was responsible for licensing every school-age child care program in Massachusetts.

Prior to that she was in charge of program development for students at three campuses of North Shore Community College. She has also served as associate executive director for the North Suburban YMCA.

She says, "I am very excited about the position and I'm looking forward to working with all the volunteers and carrying on programs started by Nelda as well as finding out what else needs to be done and doing that."

There will be a welcoming reception for the new director on Thursday, Nov. 30 from 9:30 a.m. to 10:30 a.m. in the Main Lobby of the hospital.

Mary Ann Holak

Many Hear Dr. Heller . . .

Gray hair was the style of the day as men and women, most of them in the 60-plus age group filled the cafeteria at Beverly Hospital last week to hear a talk on arthritis by Dr. Matthew Heller, one of New England's leading arthritis experts. The meeting was sponsored by the Med-Info program of Beverly Hospital. Beth Dimitruk, director of the TIPS program introduced the speaker.

Prior to the address, the Medication Hot Line was officially opened with a telephone call by the hospital's president. Basic information on the use of medications can be received twenty four hours a day by calling 922-3000, Ext. 6337. A five-minute individual consultation at a cost of $10 may also be had.

Using slides Dr. Heller described the many types of arthritis, their signs and symptoms and warned against using anti-inflammatory drugs over long periods without a doctor's advice. At the end of the session he answered questions from the large audience.

Salem news 11/20

Hospital Aid plans holiday sale

BEVERLY — The Beverly Hospital Aid Association will hold its Holiday Happening from 10 a.m. to 3 p.m. Friday, Dec. 1 in the hospital lecture hall. Gold jewelry, holiday gifts, decorative greenery hand-crafted toys and other holiday items will be on sale, and 22 items will be raffled. Proceeds will benefit the hospital's scholarship fund which assists student volunteers who want to pursue careers in the health care field.

Bev Times 11/20

TIPS PROGRAM: Beverly Hospital's TIPS Program (Timely Information on Programs and Services for Seniors) currently has an opening for a volunteer interviewer/reporter position.

Working for the TIPS newsletter, the volunteer reporter will collect anecdotes, humorous life stories and interesting tales from Lifeline subscribers and will write articles. The opportunity exists for travel throughout the North Shore, visiting Lifeline subscribers.

The volunteer should have previous writing, reporting and interviewing skills and be willing to work with the newsletter's feature writer and editor. the position requires a time commitment of approximately four to five hours each week.

For more information call Beth Dimitruk at the Beverly Hospital TIPS office, 922-3000, Ext. 2845.

Bev Times 11/21

HOSPITAL DONATIONS: When Beverly Hospital's $1.3 million Century Fund began last year, area banks and businesses were quick to joint he capital campaign with generous pledges of support.

Less than a year later, those institutions have not only met their financial goal, they have exceeded it by 157 percent with donations topping $93,000.

According to John L. Good, Vice President of Community Relations and Development at Beverly Hospital, "the generous donations to the hospital form the business and banking community are due in large part to a dedicated corps of volunteers."

This unprecendented show of support comes in large measure from local banks, whose donations constitute 77 percent of the funds raised in the banks and commerce division to date.

The Century fund, the hospital's 100th Anniversary Capital Campaign, was inaugurated to support a wide-reaching building program that includes renovations and upgrading of existing facilities, relocation of some services, and new construction.

The fund-raising is scheduled to conclude in 1990.

Legislators mull tax hike on top of cuts

11/20 BEV TIMES

By JOHN MOONEY
Times staff

BEVERLY – North Shore legislators didn't get home until after 2 a.m. Friday night. State Rep. Forrester "Tim" Clark even missed his daughter's bridal dinner for the evening out in Boston with his colleagues.

A little bleary-eyed, Clark did make the wedding the next day. "That's what the people pay us for," the Hamilton Republican said afterward.

The event drawing all this attention was the House's final vote Friday night on more than $360 million in cuts from this year's state budget, a figure that some say could decimate the Commonwealth but all acknowledge is just halfway to a balanced budget.

For or against it – or like most, committing neither way quite yet – many also acknowledged that after the state Senate gets through with the spending plan, some sort of tax package is in the offing.

"We've gone over this three times, item by item, two full weeks with most nights running until 9 or 10 o'clock," said state Rep. Frances Alexander, D-Beverly. "Every-

Tax hike, page A10

ike mulled

page 1

ould have cut has

people don't want any axes," she continued. "Yet are $300 million out of balance. omewhere along the line, we have got to have a balanced budget."

The $368 million in cuts were approved 125-30 in a largely partisan vote, falling far short of the $721 million deficit.

On the North Shore, the cuts may bring hiked fees at two local state colleges, reductions in services at several state parks, cuts in tourism funds, reduced hours or services at the Registry of Motor Vehicles in Lynn and Beverly, and extensive changes in several home care and other social service programs.

North Shore Republicans such as Clark and state Rep. Peter Torkildsen of Danvers were among the dissenters Friday – but only because the cuts didn't go far enough.

"We could have taken another $140 million out of there," Clark said last night. "Not only more could be taken out of there but more should have been taken out."

Still, he said "the platform" appears in place for a tax package to be proposed to the House to make up the difference. The taxes most discussed for possible increases include sales, capital gains, gasoline, cigarette and alcohol.

Toeing a common GOP line, Clark said he would not support new taxes without even further cuts.

The deficit-reduction plan as it now stands cuts more than $130 million for state agency spending and raises additional non-tax revenues, as well as mandates savings in some government programs, including Medicaid.

On the Democratic side of the aisle, state Rep. Patricia Fiero of Gloucester said she isn't even quite sure of the final figure from Friday night.

"It's extremely hard after that length of time of debate to really be entirely certain about what exactly happened," she said.

But like Alexander, Fiero indicated that little or nothing more can be trimmed from the budget and work may have to soon begin on a tax package. Rumors swirled that the House would start such work this week or next.

"Whether or not there are the votes (for the tax package) is another story," Fiero said. "But I don't see any alternative between that or really dismantling the government, getting rid of what are really essential services.

"You can't cut another $400 million without taking out whole functions," she said.

State Rep. Thomas Walsh of Peabody, who supported the cuts Friday night, was withholding judgment on new taxes until final spending figures are before him.

"I think that until the cutting is complete, we shouldn't even talk about the tax issue," he said. "I am taking a wait-and-see attitude."

Still, Walsh said any further cuts will mean concrete reductions in state services. "We're beyond just cutting fat," he said.

Lawyers' group probes disciplining of doctors

BOSTON GLOBE 11/20/89

By Bruce Mohl
GLOBE STAFF

The Massachusetts Bar Association, spurred to action by complaints from doctors and lawyers, is investigating the state's Board of Registration in Medicine to determine if it disciplines doctors fairly.

The board has been sued by a doctor who, with strong backing in the medical community, is charging that the board follows a quota system in disciplining doctors.

"Obviously, emotions are running high," said Thomas F. Maffei, chairman of the bar association committee reviewing the board's operations.

Maffei said the committee is not conducting a witch hunt but merely trying to find out whether the board's disciplinary procedures are fair. He said two major areas of concern are whether a statute of limitations is needed on disciplinary actions and whether hearing officers should be independent of the board.

"This is not an investigation to uncover bad behavior on the part of the board of medicine. It's one of these intellectual exercises that the bar does a lot," he said. Maffei added that corrective legislative proposals may be ready by January.

Mary Ann Walsh, state secretary of consumer affairs, issued a statement saying that she and the board look forward to working with the bar association committee.

"The board deals with issues of great importance to both patients and physicians and is responsible for fairly balancing the interests of both," Walsh said. The consumer affairs agency oversees the board.

Paul Romary, one of Walsh's top aides, said the board is studying the possibility of placing a statute of limitations on board actions.

As he has in the past, Romary said the increase in disciplinary actions by the board is not a reflection of a quota system, but of a staff that has been beefed up since 1985. The board's staff was increased sharply in 1985 after a highly critical "60 Minutes" report on the board's failure to discipline doctors aggressively.

'This is not an investigation to uncover bad behavior on the part of the board of medicine. It's one of these intellectual exercises that the bar does a lot.'

THOMAS F. MAFFEI
Massachusetts Bar Association

Board statistics show the number of doctors disciplined has grown from 17 in 1984 to a high of 89 in 1987, before slipping to 85 in 1988.

"Maybe all these doctors are guilty, but maybe they're not," Maffei said.

Romary says that the board dismisses more than 75 percent of the complaints it receives and brings action only in cases with considerable merit. The board is not a court and does not follow the same due-process procedures as a court.

Several attorneys who represent clients before the board have charged that it is biased against physicians. Michael Blau, in a recent article in the Physician's News Digest, raised many of the legal community's concerns.

"If a formal proceeding is commenced against a physician, the physician almost certainly will be disciplined. Only the extent of the discipline and the board's compliance with legal requirements is left to question," he said.

Lee Dunn, who represents the doctor suing the board, said the board is giving the state a bad reputation among doctors nationwide. "You walk into the hearings, and you know it's over," he said. "I admit to a bias, but if you begin analyzing this from the point of view that their primary goal is to get scalps, then it all begins to make sense."

Dunn's case against the board is before the Supreme Judicial Court.

Salem News 11/20/89

Hospital seeks parking expansion off Jefferson Ave.

Employees, deliveries to enter 325-car lot from Dove Avenue

SALEM — Salem Hospital wants to use 4.5 acres of rocky and swampy land behind the hospital for a parking lot that will take traffic congestion off streets and parking lots in front of the hospital.

Members of the City Council subcommittee on community development have recommended to the City Council that the city grant an easement to the hospital for use of the land — near Dove Avenue and Old Road. The City Council will take up the issue tonight at its meeting.

The council is meeting tonight instead of at its regular Thursday time because of the Thanksgiving holiday.

Attorney John Serafini, representing the hospital, said parts of the planned parking lot would likely encroach on the 100-foot wetlands buffer zones, but added the hospital would apply to the Conservation Commission for its review.

Engineers said the hospital would have to blast to remove rock ledges in the area and said the parking lot would be on a slight incline.

Ward 3 City Councilor and Council President Vincent J. Furfaro said building the parking lot had three benefits. It took pressure off heavily traveled Highland Avenue, used land that was otherwise unusable and it represented cooperation between the city and business.

The parking lot, to be accessed by Dove Avenue, would mean that employee and truck traffic to Salem Hospital would enter from the rear, Furfaro said. Congestion from hospital employees parking on Colby Street and in the lots in front of the hospital would also be cleared.

Now shuttles bring employees across Highland Avenue from Colby Street.

The parking lot, on 4.47 acres, will hold 325 cars and will be landscaped with greenery and lit at night, said engineers representing the hospital.

"It would free up most of the parking which now creates a problem," said Serafini. "This takes all our employee parking and sends it out back, allowing more patient and visitor parking out front."

People living off Old Road would not have to worry about traffic from the lot traveling their road as the hospital would erect a gate and reserve its use only for fire emergencies.

Mass. House assails slow budget process

11/18 BOSTON GLOBE

By Bruce Mohl
GLOBE STAFF

The House is beginning to make even Gov. Dukakis look good.

For close to a year, House members have delighted in blaming Dukakis for nearly all of the state's problems, but their actions over the past two weeks have forced them to start turning the critical spotlight on themselves.

The House has moved backward in its efforts to balance the budget. What started out two weeks ago as $341 million in spending cuts, was, as of last night, a $299 million package. Seven 10-hour days had resulted in a net loss of $42 million in proposed savings, according to House Ways and Means Committee estimates.

"This whole process is like the gong show. It hasn't achieved anything," said Rep. William Galvin (D-Brighton).

Even when Moody's Investors Service delivered the fiscal equivalent of a slap in the face on Tuesday by dropping the state's credit rating to the lowest level in the nation, it

BUDGET, Page 26

By Mary Curtius
GLOBE STAFF

ss. House assails ow budget process

■ BUDGET
Continued from Page 1

had no effect. Amendments, many of them irrelevant to the budget process, continued to pile up.

Rep. Peter G. Trombley (D-Waltham) seemed to reach the breaking point last night, striding to the House microphone in the midst of a debate on a Medicaid initiative to say that he was having a hard time defending the House's actions when he visits his local doughnut shop each morning.

"This place, frankly, is a mess," he said. "The most powerful person in the state is the man at this microphone. We've got a lame-duck governor. We get no more leadership from the top guy in here. The people are mad at every rep in here regardless of where they stand on taxes."

House Speaker George Keverian (D-Everett), the "top guy" Trombley talked about, has taken the lion's share of the blame for the House's apparently aimless drifting. He has insisted he is allowing the democratic process to operate, but even his closest House supporters have begun grumbling about his lack of leadership.

One lawmaker said Keverian is not solely to blame for the lack of purpose, but he acknowledged that the speaker's leadership team has been almost as invisible as the Dukakis administration. "I don't feel angry: I feel lost," the lawmaker said.

Rep. Thomas McGee (D-Lynn), known for his autocratic style when he was speaker, says bluntly that Keverian has to go. "There's no leadership," he said. "You don't have to do it my way, but someone has to take over and do the job."

Judge "the product"

Keverian, who saw his attempt to combine spending cuts with a tax package get shot down by his rebellious membership, has pushed ahead with the debate on spending reductions that his members demanded. He told a television reporter last night to "judge us by the product and not the process."

Rep. Marjorie Clapprood (D-Sharon), in the wake of the bond downgrade, said it was time for the Legislature to wake up and pass some taxes. "We've got to stop sticking our fingers in the political wind," she said.

Yet those eager to raise taxes are not the only ones upset with the House. The Massachusetts Taxpayers Foundation, always anxious for the next spending cut, is also angry. The foundation issued a stinging statement saying the debate has been "long and less than illuminating for much of the time."

"We have serious problems with the way the process is unfolding on Beacon Hill and we question whether lawmakers are spending too much time trying to assuage angry voters and too little time trying to deal with the substantive issues facing state government," the group said.

Rep. Robert Marsh (R-Wellesley), one of the most vociferous cutters on Beacon Hill, said he was frustrated with the House's lack of progress. But he said he still was not convinced that enough cuts have been made. He said the Democratic leadership in the House was not prepared to make dramatic changes in the operation of state government.

Line by line

Many House members say it is impossible to make those changes in the operation of state government by amending a budget line item by line item.

Yet dramatic changes may be necessary. The Senate Ways and Means Committee has analyzed the five largest accounts in the state budget and concluded they will swamp any budget for the foreseeable future unless major reforms are implemented.

Rep. Angelo Scaccia (D-Boston) was amazed early in the House debate at the amount of time spent on minor items in the budget and the lack of time spent on such budget busters as Medicaid. "We'll go through them like Grant through Richmond because we don't understand them," he said.

Deficit vote sets up visit by tax 'grinch'

Salem News 11/18

House bill erases $365M in red ink

BOSTON (AP) — The Massachusetts House approved a $365 million deficit-reduction bill early Saturday, and Speaker George Keverian, D-Everett, warned that a tax increase would be needed to erase the rest of the $721 million in red ink.

The bill received all-but-final House approval on a 125-30 vote after Democratic leaders won two victories against amendments they said would have wiped out all the bill's savings.

But Keverian and House Minority Leader Steven Pierce, R-Westfield, while disagreeing on whether the bill should be passed, agreed that a tax bill was on the horizon.

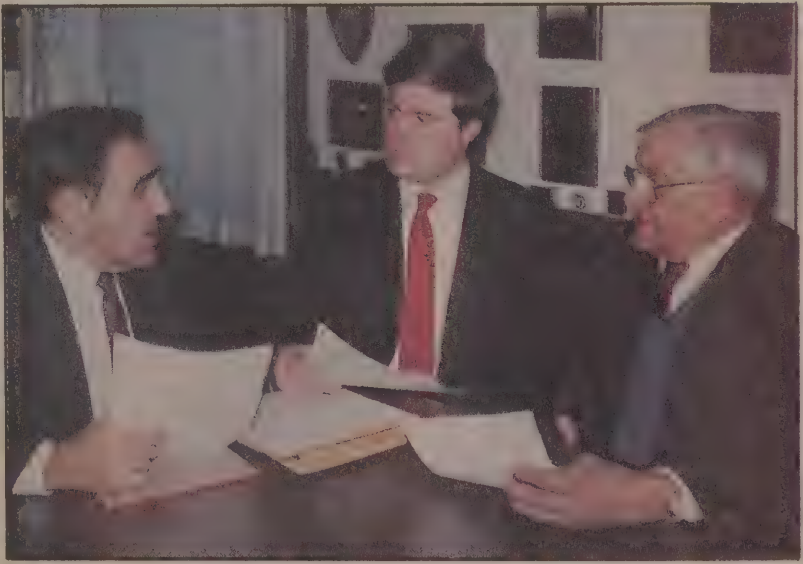
"You will have a tax program, rely on it. It will be next. It will fill the gap," Keverian said. "Anyone who understands state government and doesn't support it doesn't want a balanced budget."

"A major tax package is still lurking in the hallways to come in here and be the Grinch that stole Christmas," Pierce said.

During debate the House defeated of a proposal that would have reasserted legislative authority over state fees and fines and would have restricted them to the administrative costs of providing the services, was narrow. It came only after the plan was first adopted and then reconsidered.

Rep. Angelo Scaccia, D-Boston, said the proposal from Rep. Gregory Sullivan, D-Norwood, and based on a proposal from the tax-fighting group, Citizens for Limited Taxation, would cost the state $450 million.

DEFICIT
(Continued on Page 10)



Mayor Peter Torigian, left, meets Friday with Salem Mayor-elect Neil J. Harrington and Newburyport Mayor-elect Peter J. Matthews.

The Salem News

Torigian urges push for local aid petition

A News staff report

PEABODY — Municipal leaders are stepping up their efforts to gather the necessary signatures by next Wednesday's deadline to put a question on the 1990 state ballot to guarantee more state aid for communities.

Peabody Mayor Peter A. Torigian, who is leading the petition drive as past president of the Massachusetts Municipal Association, held a press conference in his office — one of more than a dozen held around the state — to focus attention on the signature campaign.

"This is the last weekend before the deadline," said Torigian about the 50,525 signatures needed to put the question on the ballot next fall.

He was joined by Salem's mayor-elect, Neil J. Harrington, and Newburyport's mayor-elect, Peter J. Matthews, who both said they would rally workers from their recent campaign victories to help gather signatures in the next several days.

Harrington said both he and Matthews — the only two candidates to unseat incumbent mayors in the state — have just won hard-fought elections. "We're both turning around a week later and putting an effort out," he said.

The petition drive would put a question on the ballot assuring

PETITION
(Continued on Page 10)

ITION

(Continued from Page 1)

and towns a 40 percent e of the state's growth tax enues.

The Massachusetts Municipal Association has set signature quotas for its member communities to assure the 50,525 certifiable signatures it needs.

"I've been in contact with people to go out and collect signatures to meet our quota," Harrington said. "It's important to make a stand for continued services and the responsibility of the Commonwealth to meet its obligations so cities and town can continue local services."

Harrington said polls show that people do not want to see an override of Proposition 2 ½. In Salem, the city has lost $3 million in commercial and industrial tax revenues in the last six years, he said, putting a greater burden on the residential homeowners.

A city like Salem with a large population of elderly people and people on fixed incomes, cannot afford to lose state revenues, he said.

Harrington said he would have workers targeting places such as the Salem Depot and city supermarkets collecting signatures in the next few days.

Torigian estimated that communities have already collected signatures in the low-40,000 range. "We're making a last minute push," he said.

Leaders of the petition drive are trying to enlist mayors-elect and those mayors who care enough to lead the signature drive in their communities, he said.

"Because unfortunately some people aren't going to do it, if we don't do it, we've effectively shot ourselves in the foot," he said. "We're sending a message to the legislature that cities and towns don't care."

Peabody's quota is to collect 800 signatures. Torigian said already close to 2,000 signatures have been collected. "We hope to triple our quota," he said.

Torigian estimated that 95 percent of the towns are participating in the signature drive. Participation by the cities has been slower because of the recent Nov. 7 elections which was the main focus of many incumbents fighting to stay in office.

CIT

(Continued from Page 1)

ficit-reduction package ebated by the House is at most about $420 million, rding to legislative fiscal ana- s.

The legislature surrendered its oversight over fees and fines in 1988, and Sullivan said, "In virtually every aspect of our lives, this secret side of the tax ledger takes hard-earned income out of the pockets of the people of this state."

But Rep. Frank Hynes, D-Marshfield, said a section of Sullivan's plan, requiring fees to be no more than the administrative costs of the services, such as a drivers' license, for which they are paying would be costly to the state.

"The only other alternative is taxes," he warned.

Scaccia said in the Registry of Motor Vehicles alone the loss would be $250 million, and the loss in the state Consumer Affairs Agency would be $70 million. The total loss, he said, would exceed $400 million.

Rep. Kenneth Lemanski, D-Chicopee, also questioned whether the legislature could handle the responsibility.

"Returning total and complete control of fees to this legislature when it has been immobilized in terms of rasing taxes and in terms of cutting this budget is unwise," he said.

The fee plan initially was adopted 77-73, but was then rejected 71-81 on reconsideration.

The second battle, fought directly by House Ways and Means Committee Richard Voke, D-Chelsea, involved $37 million in savings in the Medicaid program by limiting the increases in payments to health care providers, such as hospitals, nursing homes, visiting nurses and pharmacies.

The proposal to strip the deficit-reduction plan of the Medicaid savings provision came from Rep. William Nagle Jr., D-Northampton, who accused Voke of taking "a radical right turn" in his politics. Nagle lost 109-43.

"Government has a moral and legal commitment to the people who have been left behind," Nagle said.

BOSTON GLOBE 11/20/89

Congress tentatively OK's $23b tax plan

Proposal contains mix of current fees, new levies

By Michael Kranish
GLOBE STAFF

WASHINGTON – In a last-minute budget deal that some have charged violates President Bush's "no new taxes" pledge, House and Senate negotiators tentatively agreed yesterday to raise more than $23 billion over five years by imposing new taxes and by retaining some fees that are about to expire.

The taxes include a new levy on oil of 5 cents per barrel to pay for a $1 billion spill liability program, a major increase in a tax on ozone-depleting chemicals and a new tax on international airline and cruise departures. Hundreds of other financial measures were also contained in the deal.

Although only three days remain until the end of the congressional session, the agreement has a long way to go before it becomes law. First, it must be approved by the House and Senate negotiators and then be passed by the full House and Senate.

Although the compromise was reached in consultation with White House officials, Bush could still choose to veto it.

A White House spokesman, Stephen Hart, said yesterday that Bush would have no comment on the package until it is reviewed. The spokesman declined to discuss whether he viewed any of the items in the package as a new tax that would violate Bush's pledge.

A Democratic aide in the Senate said of the package: "Of course it has new taxes. But the White House will try to call them user fees, license fees, adjustments. Democrats will say Bush is talking out of both sides of his mouth. But these are not increases in income or Social Security taxes, so the country is not going to become politically enraged nor are Democrats likely to be able to say the ice has broken on the tax issue."

TAXES, Page 4

$23 billion tax plan advances in Congress

■ TAXES

Continued from Page 1

The Senate, meeting in its 13th Sunday session in history, inched toward a vote on the agreement last night.

The lack of action displeased many legislators. Sen. Sam Nunn, a Georgia Democrat, groused at a news conference that he had canceled a money-raising event to be at the session and was dismayed at the lack of votes.

In the past, Bush has said he would oppose any new tax, but his aides have privately urged him to support certain new revenues collected from specific groups to pay for a program that benefits that group. Most of the new fund-raising measures in the budget compromise, such as the oil tax, fall into that category.

Of the $23 billion in revenues to be raised over a five-year period under the plan, $5.3 billion would be collected next year.

The deal was made after a series of late-night negotiation sessions on the year's final budget. The compromise was struck to avoid the year-long imposition of 5 percent across-the-board budget cuts that otherwise would be mandated under the Gramm-Rudman-Hollings deficit reduction act.

Some legislators said they were disappointed, saying the budget plan did not include enough of the "real" savings that Bush had sought.

"It's not good enough to reach the $14 billion that everybody says we ought to reach," said Sen. Pete Domenici of New Mexico, the top GOP member on the Budget Committee.

If Bush opposes the deal, he could follow through on his threat to leave the automatic cuts in place for a year. The plan does leave the automatic cuts in place for a four-month period, saving several billion dollars. The automatic cuts, which have been in place since October, would save $16 billion in a year.

Under the deal reached yesterday, the automatic cuts would be lifted in January. With another $12 billion to $14 billion needed to meet the deficit target, the compromise raises $5.3 billion in revenues, cuts certain programs such as Medicare and employs gimmicks such as moving the money-losing Postal Service off-budget.

Aside from the new taxes, the plan would "accelerate" collection of employee withholding taxes

Bright future predicted for North Shore's biomedical industry

11/18/89 Bev Times

By JOHN MOONEY
Times staff

Gov. Michael Dukakis' declaration this week that Massachusetts would be the "pre-eminent center" for the biomedical industry drew praise from North Shore businesses but also a little caution to whether it would mean very much.

On the North Shore, the biomedical industry and broader umbrella of biotechnology is growing and relatively healthy, with one biomedical firm just last week breaking ground in Danvers for a new headquarters and 200 new jobs.

The Cherry Hill Industrial Park in Danvers has been particularly successful, attracting three start-up firms in the field of biotechnology.

"I think Massachusetts is in an excellent position to do quite a lot in the industry," said Ira Schildkraut, research director for New England Biolabs in Beverly, an employer of 125 people.

"There is a real good core (of labor and education) to feed these companies," he said. "It's not just hot air from the governor."

But others also said Statehouse's role is little more than symbolic, short of massive investment or programs that few expect during these lean fiscal times.

Tax incentives could be another public tool to draw business, but one business leader pointed out an investment tax credit was recently reduced to help sagging tax revenues.

On the North Shore and outside of politics, some worried that a lean labor market and high cost of living here don't help, either.

"For us, the low unemployment was actually an impediment," said Robert Miller, one of the founders of Strato Medical Corp., a Beverly manufacturer of vascular access and infusion devices that employs about 50 people.

"Ironically, the down-turn in the economy may help some companies now," said.

> **"This is not a new thing that the governor has invented...But I think there is a tremendous amount of opportunity of public and private can coalesce."**
>
> **Robert Bradford**
> **North Shore Chamber of Commerce President**

Dukakis made the declaration about bio-technology this week in a speech on the state's economy in general and assertions it is in a recession.

The governor acknowledged the "Massachusetts Miracle" is over, but said the state could rise again, specifically in exporting industries and bio-medical research and manufacturing.

The biomedical and biotechological industry covers a wide gamut of fields that include biological research, pharmaceuticals, farming, and medical technologies and instruments.

The North Shore Chamber of Commerce has already focused its own efforts toward export industries, and its president said yesterday that much can be done as well in the bio-medical area.

"This is not a new thing that the governor has invented," said Robert Bradford, the chamber's president. "But I think there is a tremendous amount of opportunity of public and private can coalesce."

All agreed that Massachusetts' greatest attraction to the industry is and will remain to be its resources from Boston area hospitals and higher education, specifically from Massachusetts Institute of Technology and Harvard University.

From that, the industry has blossomed in Cambridge, along Route 128 and more recently in the Worcester area.

The North Shore holds some of the same draw, plus what many consider a quality of life that in unique. The area's primary industrial parks in Peabody and Danvers have both filled up.

"We liked its aesthetics, liked the area very much," said Carole McCormick, personnel director for Interventional Medical Co., which broke ground in Cherry Hill last week.

"It's convenient to Boston and just a pleasant place to be," she said.

But McCormick and others also warned about the labor market for specifically manufacturing. Interventional Medical is a manufacturer of cathater tubes for cardiac surgery, employing 145 people.

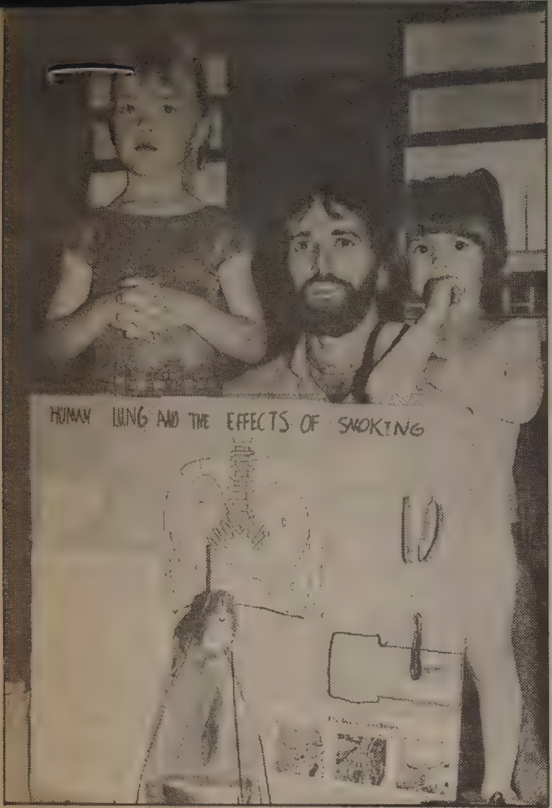
"It isn't that great," she said. "There is no ethnic pool to draw on, and the population is a little wealthier, not what you would go to for manufacturing."

Bradford of the North Shore Chamber confirmed that the labor pool indeed sits on the edge of the national trend between manufacturing and information and technological services, with ample numbers in each.

But he also said tougher times at major employers such as GTE Sylvania and GE in Lynn may free up considerable labor.

Fair gets the word out about good health habits

Bev Times 11/20


HUMAN LUNG AND THE EFFECTS OF SMOKING

Nancy Shackleton photo

Robert Schell and his daughters Jacklyn, 6, and Amanda, 3, stand behind an elementary school health project while the girls wait to perform a dance number at the Health Fair.

By VIRGINIA LOWRY
Times staff

BEVERLY – Ward 3 Alderman Russell Hannibal, Beverly resident Bud Morrill and the Times reporter – volunteers all – trooped into the battered 18-foot trailer outside the Beverly High School cafeteria Saturday and sat on bench seats.

Outside, firefighter Bob Loomer explained the purpose of the demonstration to the crowd of visitors to the 12th annual Beverly Regional Health Fair.

"We want to show how dangerous fire is and how quickly it spreads. We also want to show how a residential sprinkler system can put out fires."

Inside the trailer, fellow firefighter Freddie Dusseault knelt before a wastebasket containing three sheets of newspaper and set them ablaze.

Within seconds, wastebasket and drapery material hanging behind it were ablaze. Fire quickly mushroomed across the ceiling and smoke began thickening.

> ***Health screenings were as popular as always with visitors. For the second year, extensive cholesterol screening was offered free of charge.***

Before heavy smoke or flames could reach the three volunteers seated less than 5 feet away, a smoke alarm horn sounded. Scant seconds later, a fine spray of water burst from a sprinkler head and doused the blaze in 2.5 seconds.

The entire demonstration lasted only about 30 seconds and all inside the trailer were safe.

Loomer and Dusseault are from the Massachusetts Firefighting Academy. They travel with the trailer to demonstrate the effectiveness of residential sprinkler systems.

According to the men, when a new home is built, a sprinkler system can be installed for only 90 cents to $1 per square foot.

"It's cheap protection," according to Loomer.

The firefighters' demonstration was only one of about 50 attractions at this year's health fair that drew thousands to the high school for the annual event.

Health screenings were as popular as always with visitors. For the second year, extensive cholesterol screening was offered free of charge, keeping people like Deb-

Health, page A12

fair

Continued from page 1

bie Allen and Janet Lane busy in the North Shore Comprehensive Care booth.

"No more doughnuts or eggs," Allen advised one man, only half jokingly. "Your cholesterol isn't bad, but it could be better. "

Around the corner, public health nurses Joanne LeClerc and Jan Dooling were doing diabetes screening.

Peabody resident Constantine Tingus pointed to LeClerc.

"You know what she said to me?" asked Tingus. "She said my hands are very warm. I should bleed well."

The tiny drop of blood collected, LeClerc did Tingus' diabetes check. "You're just two points above (normal). That's not too bad," she reassured him.

Much of the focus on this year's fair was upon educating youngsters in good health habits, especially in the area of drugs. In the Beverly police booth, Detective William Gates and D.A.R.E. program Patrolman Michael DiDonato did a brisk business in balloons and information, aided by William's Bobby Gates, 11.

And state police Lt. James Jajuga brought a message of hope. Jajuga, who heads the Essex County Drug Task Force, said programs such as D.A.R.E. are helping to cut youth drug problems.

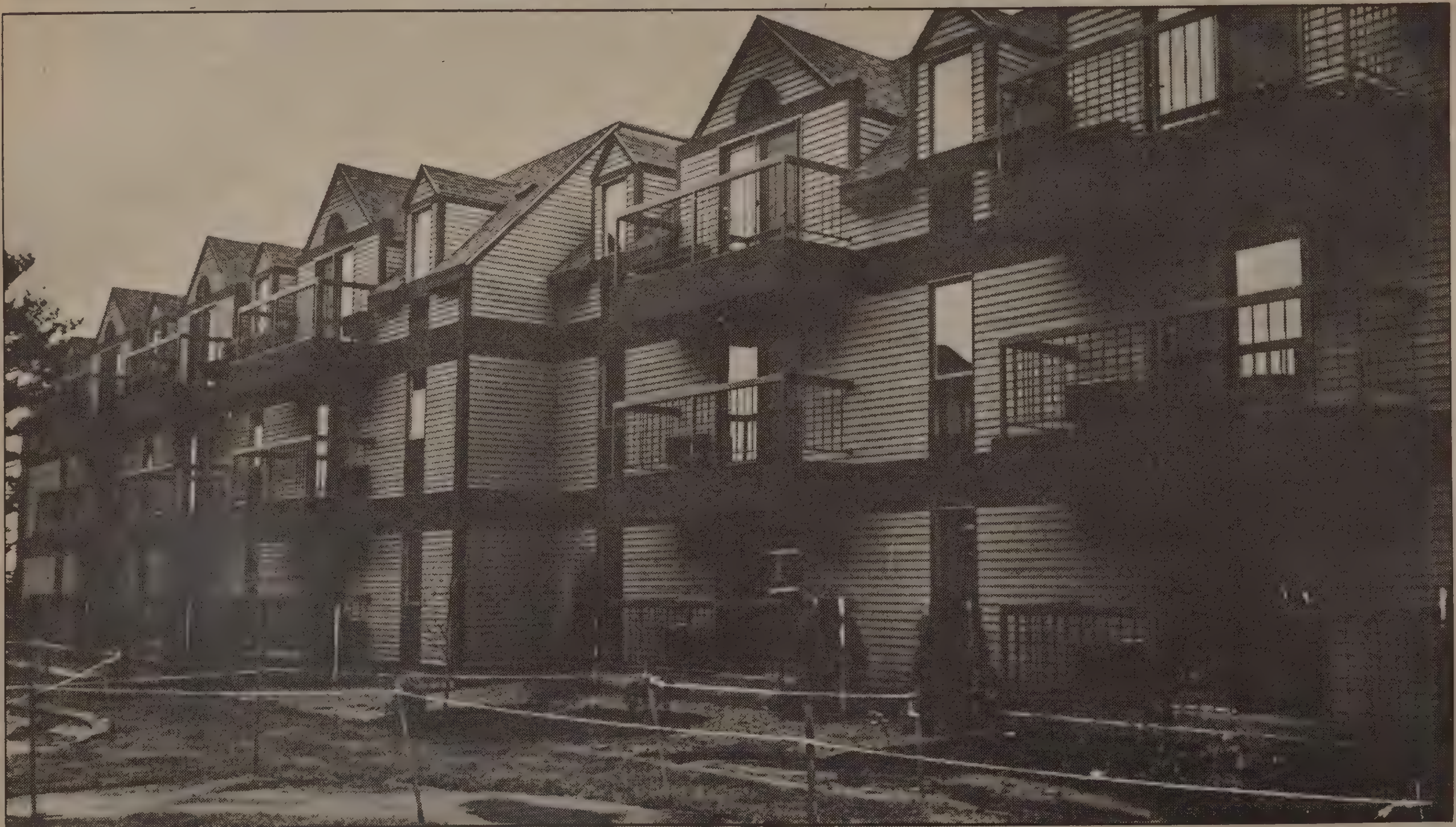
"I see some encouraging signs," he said. "It (the program) has been very successful."

In fact, the lieutenant said, a monitoring program within D.A.R.E. "determined there was no drug abuse in students that had graduated from D.A.R.E." by its third year.

As in past years, youngsters in the city's elementary and middle schools participated in the fair. This year's focus was on projects related to reducing drug use, as well.

Winners of trophies and ribbons included Brigid McLaughlin, Amy O'Malley, Timothy Draper, Kim Drew, David Scoglio, Jannae Rice, Emily Rolinger, Kristen Charland, Christina Zarbano, Aaron LeMay, Garry Gilbert and Leanne Nagle.

Beth Dyer of the Hannah School won the "Best of Show" trophy.

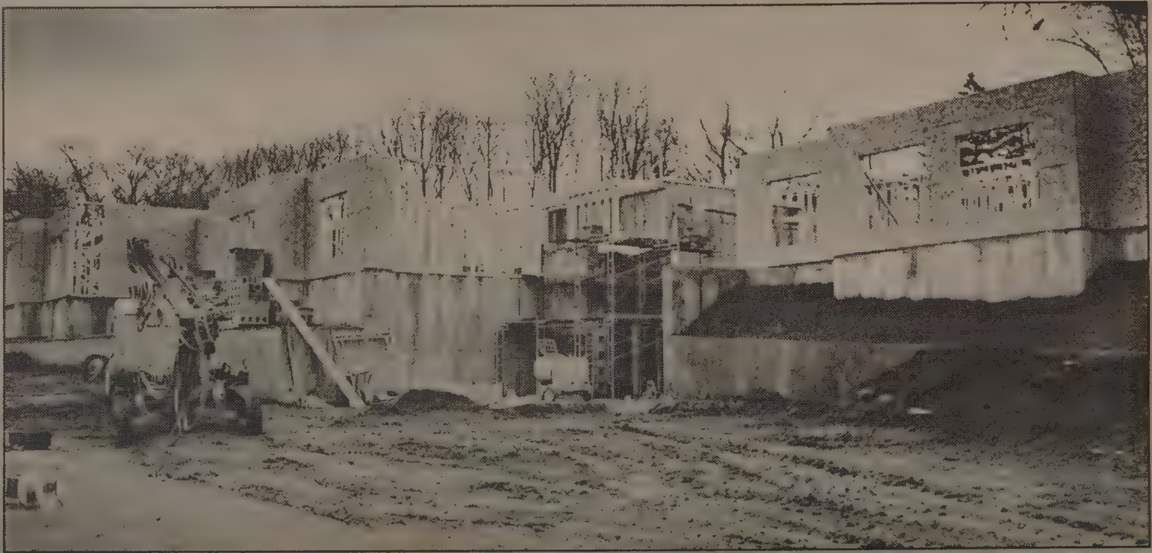


Making progress

BEV Times 11/20/89

Two senior citizen housing projects in town are making noticeable headway. The 70-unit Cable Gardens complex, located at the former Cable Hospital at County and Essex roads, is scheduled to open at the end of this month. A ribbon cutting ceremony is scheduled for Nov. 27.

Construction at the 33-unit Oak Hill congregate housing project on Central Street is well under way.



BOSTON GLOBE 11/20/89

Leader says House ready to hike taxes

Massachusetts House leaders will start work this week on a tax package large enough to eliminate the state's deficit and restore $100 million in spending previously cut from the budget, the House's number two official said yesterday.

Rep. Charles Flaherty, House majority leader, said an increase in at least one broad-based tax will be included in the package, as well as a rise in the gasoline tax. The broad-based taxes he mentioned as possibilities included sales, income and capital-gains taxes.

Appearing on WBZ-TV's Eyewitness News Conference, the Cambridge Democrat said the $100 million would be used to restore cuts made in human services, education and local aid programs.

Flaherty's comments on the weekly Ch. 4 program came one day after the House gave its backing to a $368 million package of spending cuts and savings measures. The package, if approved by the Senate and the governor, would fall far short of eliminating the state's projected $721 million deficit.

Flaherty also had harsh words for the Democratic Party's gubernatorial candidates and the party's chairman, accusing them of acting like Republicans.

"We don't need two Republican parties in Massachusetts," he said. "I'm disappointed, quite frankly, to this point in time that candidates for governor in both parties are just feeding pablum to the people just like it's been fed to them nationally for the last eight years by the Republican administration."

Flaherty said Paul Tsongas, Mayor Flynn and US Rep. Joseph P. Kennedy 2d are considering running for governor, adding that he suspects at least one of them will actually jump into the Democratic race.

Flaherty also dismissed criticism of the House leadership, saying those doing the most criticizing have political motivations. He mentioned several lawmakers who are seeking higher office and who he said are using their comments to score points with voters.

BRUCE MOHL

Medicare, budget matters slowing down Congress

Lynn Item 11/20

WASHINGTON (AP) — Congress' race to adjourn for 1989 by Thanksgiving is running into problems from two measures that have proven intractable all year: deficit reduction and eliminating Medicare benefits for long-term illnesses.

Lawmakers planned to search for solutions to those standoffs today, following an unusual Sunday session dominated by closed-door negotiations but little floor action.

"I remain determined we will be able to complete action in order to adjourn ... by Thanksgiving," Senate Majority Leader George Mitchell, D-Maine, told his colleagues.

But judging from the path in front of them, that might not prove easy.

The House planned action today on a new version of the $14.6 billion foreign aid bill which President Bush vetoed Sunday.

11/20 Boston globe

Senate conferees, in turnaround, oppose repeal of health benefits

By Nicki Weisensee
SPECIAL TO THE GLOBE

WASHINGTON – In an abrupt turnaround from the agreement on Saturday morning to repeal the catastrophic health care program, Senate conferees said after meeting yesterday that they will urge senators to vote down repeal when it comes to the floor.

After two weeks of maneuvering, Senate conferees agreed early Saturday to accept the House's offer of repeal. Yesterday, Senate conferees said they would sign the conference report, then urge that it to be voted down.

According to Sen. Lloyd Bentsen a Texas Democrat who is chairman of the Senate Finance Committee, the Senate conferees expect a compromise offer from the House.

"I think" acceding to repeal "was a bit of a shock treatment to them," Bentsen said. "I think now we'll be getting a serious offer."

However, Jim Jaffe, spokesman for the House Ways and Means Committee, said there is no such offer forthcoming.

Senate and House conferees have been stalled over how to resolve the differences between their versions of catastrophic health insurance for more than six weeks. In early October, the House voted, 360-66, to repeal the law. Two days later, the Senate voted, 73-26, against repeal and 99-0 for a bill by Sen. John McCain, an Arizona Republican.

The McCain measure repealed the surtax and most of the benefits while retaining the Medicaid provisions, hospital coverage and several smaller benefits.

A week ago, a game of legislative ping-pong began as House conferees met for hours and sent back repeal to the Senate, which promptly sent back McCain's bill. This went on until late Thursday afternoon when the House sent over an offer that was essentially McCain's minus the hospital coverage. The Senate conferees, after meeting for seven minutes, sent back the McCain plan, saying they had not received a serious offer. The House promptly sent back repeal.

The game was stalled until the early morning hours Saturday when the Senate conferees, surprising everyone, acceded to repeal, apparently ending the game and the conference. After threats by McCain of a filibuster to delay repeal, Senate conferees met late yesterday afternoon and decided to urge Senate members to vote down the conference report once it came to the floor, then seek the proper procedure to sent McCain's version back to the House.

Seventeen months ago, when the catastrophic health insurance bill was signed into law, it was hailed as the largest expansion of Medicare benefits since the program's inception in 1965. Doctor's expenses, prescription drugs and skilled nursing home care were three of the major benefits the program included.

However, President Reagan said he would not sign the bill unless it was self-financing. Thus, the authors drew up a financing mechanism in which the 40 percent of beneficiaries who owed $150 a year or more in federal income taxes would pay a progressive surtax. All beneficiaries would pay a steadily increasing amount in the flat monthly premium.

Shortly after the new benefits and the new premiums went into effect this year, the elderly began bombarding their congressmen with complaints. Soon, the firestorm of criticism became a cry for repeal.

This ad is being sponsored by the following civic and community-minded individuals and firms of the North Shore area. Anyone interested in using this space as a non-profit organization, please call:

DAVID LODGE

922-1234

BEVERLY COOPERATIVE BANK
254 Cabot, Beverly

LEE, FRASER, & PATCH
INSURANCE
234 Cabot, Beverly

BEVERLY
NATIONAL BANK
240 Cabot, Beverly

FRANCIS L. CONWAY & SONS FUNERAL HOME
12 Chestnut, Peabody

DAWSON'S HARDWARE
35 Enon St., Beverly

Sterling
INSURANCE AGENCY, INC
9 Broadway, Beverly

HOLIDAY HAPPENING

BEV Times
11/21

FRIDAY, DECEMBER 1st

10AM - 4 PM

BEVERLY HOSPITAL AUDITORIUM

14kt. Gold Jewelry from the Gold Source

Fresh Greens & Wreaths from Essex County Garden Club

Home-baked Breads, Pies and Cakes

Gifts, Candy, Toys and Raffles

Sponsored by
The Beverly Hospital Aid Association

BOSTON GLOBE 11/21

Health bill compromise again eludes Congress

By Nicki Weisensee
SPECIAL TO THE GLOBE

WASHINGTON – House and Senate conferees again failed yesterday to reach a compromise on catastrophic health care, as House members unanimously rejected a proposal by Rep. Dan Rostenkowski, the Illinois Democrat.

Yesterday's action by the House conferees came after the Senate, in a vote Sunday night, refused to go along with repeal of the measure. It was unanimously defeated because House conferees thought one of its requirements, a flat premium for elderly people covered by the insurance, was excessive given the benefits provided.

Rostenkowski's measure was a scaled down version of a plan offered by Sen. John McCain, the Arizona Republican. McCain's measure passed the Senate 99 to 0 last month.

But after yesterday's House meeting, Rep. Brian Donnelly, the Massachusetts Democrat who has led the movement for repeal, said: "We rejected the chairman's package because the flat premium was too high."

McCain yesterday restated his willingness to compromise, he said, to "prevent a truly catastrophic outcome – total repeal."

For a week, House and Senate conferees have been deadlocked on how to resolve their differences over the catastrophic health insurance law. The House has voted on repeal motions three times. In October, repeal passed 360 to 66. Two weeks ago, it passed by voice vote and Sunday night it passed by 347 to 59 votes.

Donnelly said he asked for a roll call on Sunday's vote to prove to the Senate that support for repeal had not eroded in the House as some senators had said.

The House planned to again send repeal to the Senate in anticipation of the Senate's sending back a revised version of McCain's bill.

Although details of any new Senate plan were not available, there was reason to think that it would not require elderly participants to pay more than $4 a month in premiums. They now pay $4.90.

Donnelly said that when he met last Thursday with McCain; the secretary of health and human services, Louis W. Sullivan; and the budget director, Richard G. Darman, he told McCain that the House would not go for a flat premium of more than $4 because the benefits it retained were not worth it.

"These people here might think $4 a month is not that much, but to a person living in a three-decker in Dorchester, that's a lot of money," Donnelly said.

It was uncertain whether the House would go for even a slimmed-down version of McCain's original proposal, since the House has resoundingly voted repeal three times.

The McCain measure repealed the surtax – the charge that elderly people so loudly protested – and most of the benefits while retaining the Medicaid provisions, hospital coverage and several smaller benefits. Repeal eliminates everything except the Medicaid provisions.

The Senate, in its only vote on repeal, rejected it six weeks ago, 73 to 26. On Sunday night, however, Sen. Bob Graham, a Democrat from Florida, asked that the Senate be allowed to vote on repeal once more. He was assured by Senate Majority Leader George Mitchell, the Maine Democrat, that the Senate would get the opportunity.

11/21/89 Salem News

Howe: Town's budget picture looking bleak

A News staff report

IPSWICH — The financial picture is getting even worse, Town Manager George E. Howe told the Board of Selectmen Monday night.

Howe reported he has been advised by the Massachusetts Municipal Association to plan for a further reduction in state aid for the next fiscal year, about 10 percent lower than current levels or about $310,000 less. The town is already trying to absorb a loss of $500,000 in state aid.

Howe said he has begun work on the town budget for the 1991 fiscal year and "it's about $600,000 out of balance." That means the town will have to cut that amount from an approximate $16 million budget or seek over-rides to Proposition 2½ for $600,000.

The town budget will be submitted to the selectmen next month and Howe said he will try to present several choices to the board, but "some choices won't be easy. If cuts are made in some places, other costs may arise."

For instance, said Howe, if a decision was made to eliminate the forestry department, the town would have to pay higher unemployment compensation, put aside money for emergency tree removal (when a storm knocks trees down) and put more money in snow removal costs.

Selectman James R. Engel said the town was wasting time reacting to each projection from the State House. The board should decide what minimum level of service it will recommend to the town and be prepared to place some costs on a ballot for over-rides of Proposition 2½.

"We should assume the worst case (in state aid). If the costs don't fit within Proposition 2½, we should put them on the ballot," said Engel.

If more state aid is provided later, some of the projects can be pulled back from the over-rides and placed in the budget, he said.

Engel said he was "not prepared to start dismantling town government."

He mentioned two services which could be placed on the ballot for over-rides: trash pick-up and hospital costs. Howe had projected a few weeks ago that the cost of trash pick-up could jump from roughly $400,000 this year to $800,000 next year. The town pays an annual subsidy to Beverly Hospital of approximately $160,000 a year to maintain the Cable Emergency Center in town.

Selectman Robert H. Leet said the electric department should also be considered for higher fees, too. Selectman William E. George had recommended at last week's meeting that the board, as electric light commissioners, consider raising electric rates at the town-owned electric department, as one way of meeting the budget short-fall.

Howe said he or Electric Department Manager Donald R. Stone could begin studying what other municipal electric departments pay their local government as "in lieu of tax" payments.

Salem News 11/21/89

Hersee wins Board of Health seat on 10th ballot

PETER A. HERSEE
Former bank president

A News staff report

BEVERLY — On the tenth ballot, the Board of Aldermen Monday night elected former bank executive Peter A. Hersee as the new member of the Board of Health.

Hersee, one of four applicants for a vacant seat on the Board of Health, got the five votes necessary to win after nine rounds failed to produce a majority.

Voting in favor of Hersee were aldermen Bruce Burgess, John P. Frates Jr., Thomas Fallon, Russell W. Rollins and James F. X. Doherty.

President David Vagos and Jeffrey W. Conley voted for the appointment of Mary Ponzini-Decker. Raymond A. Battistelli and Russell E. Hannibal voted in favor of Beatrice J. LeClair.

Hersee, whose background is in banking and business, won the appointment over three women who all shared a background in the health care field.

Hersee will fill the unexpired term of John C. Kelleher III, who resigned when he recently moved to Wenham.

A fourth candidate for the position was Martha E. Lundstrom, of 21 Madison Ave., a registered nurse for 14 years.

Hersee, of 37 Washington St., was president of the former Beverly Savings Bank. He has worked in the city since 1975 and lived here since 1979. In his application to the aldermen, Hersee said he has always been active in community affairs and being on the Board of Health would be an extension of his commitment to the community.

The only alderman to speak in favor of any candidate was Battistelli, who placed LeClair's name in nomination. LeClair, wife of the late Robert L. LeClair, who served many years on the Board of Registrars of Voters, holds a degree in nursing. Battistelli described her as the "tender, loving mother for 10 children," and a "gentle woman who knows health care inside and out."

In the initial balloting, Hersee had four votes, LeClair three, and Decker two, none enough for a majority. During the 10 rounds of balloting, some aldermen switched votes but none of the candidates, until Hersee, got the needed majority.

Decker, of 124 Colon St., was most recently a health care consultant for Blue Cross/Blue Shield. A lifelong Beverly resident, she holds a master's degree in health administration.

In other action, the aldermen confirmed the appointment of Edward McCarthy to the Council on Aging.

The board held over for confirmation the appointment by Mayor F. John Monahan of William Delaney, 201 East Lothrop St., to the Planning Board.

He would replace David Sabatini who has resigned from the Planning Board. Delaney will serve out the term through Dec. 31 and will withdraw as a member of the South Essex Sewerage Citizens Advisory Committee.

Sabatini submits resignation; Hersee appointed

BEV TIMES 11/21/89

By JOHN MOONEY
Times staff

BEVERLY – One prominent Beverly businessman has resigned from the Planning Board, while a second made news last night in a lengthy process to join the Health Board.

David Sabatini, a long-time and sometimes controversial member of the Planning Board and a prominent building contractor here, submitted his resignation to Mayor F. John Monahan this month, citing only his wish "to get on with it."

William Delaney of East Lothrop Street was appointed by the mayor to replace Sabatini. The appointment still needs the aldermen's confirmation.

Meanwhile, the Board of Aldermen needed 10 rounds of voting to name former Beverly Savings Bank President Peter Hersee to the Board of Health over three other finalists.

"I'm glad I don't have to get a bank job that way," Hersee joked after the vote.

Sabatini's resignation ended considerable speculation about his future on the Planning Board.

His strained relations with some of his colleagues on the board was no secret in City Hall, particularly around the vote two years ago to approve the 190-unit Laurel Ridge congregate housing project.

In addition, Sabatini's term on the board was to expire at the end of the year, with some question existing whether Monahan would reappoint him. Sabatini was active in the unsuccessful campaign of challenger Jeffrey Conley to unseat the mayor.

However, Sabatini would make no comment last night about whether those were factors in the decision to resign, indicating he only wanted a change.

"I just decided, 'To hell with it,'" he said from his Dodge Street home last night.

"I have nothing else to say at this time," he added.

Hersee's appointment to the health board ended a couple of months of reviews and interviews by the Board of Aldermen to find a successor to John Kelleher III, who resigned upon moving to Wenham.

But the choice was not an easy one. The ordinance requires the board to vote by roll call as many rounds as necessary for one candidate to gain a five-member majority.

And with each candidate jockeying up and down with almost every round but never gaining the required support, the board appeared at a virtual deadlock after a half-dozen votes.

But in the 10th round and after virtually no comment, Alderman-at-large James Doherty switched his vote to Hersee from Beatrice LeClair and gave the former banker the needed majority.

LeClair, a registered nurse, ended with two votes but had gained as many as four. The other two finalists were Maria Decker and Martha Lundstrom.

BOSTON Globe 11/21

Bulger reaches for budget crisis reins

By Bruce Mohl
GLOBE STAFF

Senate President William Bulger (D-Boston), in an effort to coordinate Beacon Hill's response to the state budget crisis, has scheduled a private luncheon in his office today for leaders from the administrative and legislative branches of government.

Similar meetings have been called in the past, but always in Gov. Dukakis' office.

Bulger was tight-lipped yesterday about why he was calling the meeting of nine top leaders in the Dukakis administration, the House and Senate. "It's just a little chat," he said.

But sources said Bulger is disgusted with the state's haphazard approach to the budget crisis and plans to press for much closer coordination among the branches as they try to cope with a $721 million budget deficit.

Both Bulger and Sen. Patricia McGovern (D-Lawrence) said yesterday that new taxes will be needed to balance this year's budget, but they declined to say how big a tax package is needed. House leaders are planning to start laying out a tax package this week, to unveil as early as next week.

Over the weekend, the House approved a $308 million package of spending cuts and revenue initiatives and gave its backing to $60 million in revenue measures already being pursued by Dukakis.

McGovern said the Senate Ways and Means Committee, which she chairs, will hold a hearing on the House package next week or the week after. McGovern said she did not think the savings would be as large as the House estimated. "Absolutely not," McGovern said. "I don't think it was ever there."

She and Bulger speculated that the House package may actually generate only $200 million to $250 million in cuts, leaving a gap of between $500 million and $600 million.

She declined to give her estimate of the size of the savings package until her staff is able to analyze it. That may take a while, since the House clerk's office is not expected to finish work on the bill for several days.

The Dukakis administration at one point last week estimated that the original House package overstated its savings potential by $100 million, but a spokeswoman for the governor said the analysis was not accurate.

Sources said Bulger sent invitations to Gov. Dukakis and two of his top aides as well as to House Speaker George Keverian (D-Everett); House Majority Leader Charles Flaherty; Rep. Richard A. Voke (D-Chelsea), who heads the House Ways and Means Committee; Sen. Robert Wetmore (D-Barre), vice chairman of the Ways and Means Committee, and McGovern.

Voke's committee plans to report out another bill today to give the state power to recover unclaimed bottle and can deposits from beverage companies. The House deleted the bottle measure last week from its savings package.

Voke, who has not yet taken a position on whether new taxes are needed, could not be reached for comment yesterday.

WILLIAM BULGER
"Just a little chat"

Child's headache complaints should not be discounted

Salem News
11/21

By MIA VIEYRA
Special to The News

Benign headache pain is experienced by a great number of children and adolescents. It is estimated that five percent of the children between the ages of 7 and 15 suffer from some sort of migraine disorder, the predominant type of juvenile headache. While the average onset is age 7, migraines in 1 to 4 year olds have been reported.

Although a relatively common condition, many parents and adults dismiss pediatric headaches as imaginary and attention-getting devices. However, as with other pain conditions such as recurrent abdominal pain and chronic musculoskeletel pain, severe migraines have been associated with such adverse consequences as depression, behavior problems, high rates of school absenteeism, increased family conflict and frequently lead to migraines in adulthood. Therefore, early treatment of these disorders is important and has been receiving increased attention.

Symptoms

A recurrent acute headache with symptom-free intervals, a migraine is characterized by periodic and distinct throbbing pain, usually unilaterally in the temple or frontal regions. Classic migraines are often accompanied by symptoms such as nausea, vomiting, dizziness and blurred vision and may be preceeded by visual auras such as spots and stars and significant smells, which act as warning signs that the headache is coming. More typical in children are "common" migraines, in which the head pain is more diffuse and often no aura or warning signs are present, unlike adult migraines, which may last several hours. Tension headaches, usually accompanied by continuous discomfort, pressure and tightness in the front and back of the skull, are also found among children.

Migraine development

The development of pediatric migraines is attributed to a number of factors. While most consider it an inherited vascular disorder, there are many other theories which attribute the cause of pain to immunological mechanisms and biochemical dysfunctions. Little evidence supports psychological factors as a cause for migraine, however stress, depression, personality traits, relations among family members, school problems and difficulties in peer relationships have been associated with the severity, duration and frequency of these headache episodes. Because of these influencing factors, it is becoming more common for psychologists who specialize in behavioral medicine as well as pediatric neurologists to be involved in the treatment of juvenile headaches.

FOCUS ON HEALTH

Pain management

To rule out other possible head pain causes such as a brain tumor or seizure disorder, treatment begins with a neurological assessment by a pediatric neurologist. If a migraine is diagnosed, the neurologist may prescribe appropriate medications, depending upon the severity and frequency of the pain. Following the medical diagnosis and medication prescription, the child is the primary focus, parents are active participants in the treatment plan.

Throughout the treatment, the psychologist helps the child and family manage headaches by identifying the triggers to headache episodes and teaching the child relaxation and distraction skills.

During the initial session at North Shore Children's Hospital, the psychologist examines the child's medical history and description of the headache. Issues such as how the child and family deal with the headaches and their impact on school and social activities are explored. During subsequent sessions, the psychologist teaches the child to monitor when the headaches occur, their frequency and their severity.Factors that precede and may trigger headaches are explored (e.g. an argument with a friend, and upcoming test, excitement over some anticipated activity) as well as how the patient and family respond to the pain.

The psychologist also focuses on preventing or managing the pain by identifying new ways of coping with stresses or events in the child's life which may trigger or reinforce the headaches.

Biofeedback is an effective tool in helping the child learn how to counter the body's tension response to the headache. An electronic technology which monitors the heart rate, surface muscle tension and skin temperatures, biofeedback helps the child learn to recognize when the body is tense and relaxed. By demonstrating how thoughts effect physiological responses, it helps them train the body to have a different response to stress. Biofeedback is usually used for children at least seven years of age, the age at which they are cognitively able to understand the relationship between bodily states and pain.

Once the child begins to differentiate between a relaxed and tense body, he or she is encouraged to take responsibility for managing the pain by using a number of relaxation techniques.

A common relaxation device is imagery, which involves imagining oneself in a peaceful, calming, soothing situation such as climbing on a fluffy cloud. Other techniques include leaving noisy surroundings and practicing muscle relaxation by tensing and relaxing different muscle groups.

In addition to relaxation techniques, psychologists focus on the importance of minimizing the disruption to normal activity sometimes accompanying a headache and encourage returning to activities as soon as possible. While a certain degree of sympathy is expected, excessive attention to the headache is discouraged. However, when the child effectively manages the headache pain, he or she is deserving of recognition.

Other factors

While the majority of children and adolescents with benign headache pain are responsive to the combined treatment of medication, behavior modification and relaxation, certain conditions may require different services. One example is a child whose pains consistently accompany academic demands and do not appear to be adequately managed biobehaviorally. This person may have an undiagnosed learning problem. In this instance, behavior medicine clinicians will work closely with the school and family, helping them address the child's needs and manage the disability.

The variety of complications associated with recurrent junvenile headaches underscores the importance of consulting medical professionals who are specially trained in the diagnosis, treatment and management of headache pain.

Mia Vieyra is director of the Behavioral Medicine Program at North Shore Children's Hospital.

BOSTON GLOBE 11/21/89

Doctor payment plan added to budget

Medicare measure is tacked on as Congress nears deadline for adjournment

By Michael Kranish
GLOBE STAFF

WASHINGTON – In a major last-minute addition to the budget bill, congressional negotiators proposed a sweeping overhaul yesterday of the way doctors are repaid for treatment of government-insured patients.

Surgeons and other medical specialists are expected to oppose the proposal, which some analysts said could lower medical costs.

The change in the Medicare payment plan was added late yesterday to a huge budget bill in an effort to trim government spending. The measure, which had been declared dead earlier in the session, is an example of how the rush to adjournment is filled with last-minute victories and defeats.

The overall bill is supposed to be voted on today. The Medicare plan could prolong debate and delay today's adjournment.

With less than 48 hours left in this year's scheduled session, top congressional and White House officials neared agreement last night on the overall budget bill, which includes new taxes and which would lift the automatic across-the-board cuts that have been in place since October.

Under the Medicare plan, doctors nationwide would be reimbursed for Medicare payments under a flat national fee scale that is generally lower than current rates. This new payment schedule could conceivably lower some medical costs for non-Medicare patients as well if insurance companies try to adopt the reimbursement rate.

The proposal has been opposed by some physicians' groups, who have said it would unfairly put the government in the business of setting fees for highly specialized operations. But some doctors in general practice have backed the proposal.

The Medicare proposal was not officially unveiled by negotiators last night and was described by congressional aides. As a result, potentially important details of the complicated plan were not available. Thus it is likely to be a major topic when Congress takes up the budget bill today.

A White House spokesman said President Bush would not decide whether to veto the plan until he reviews it in detail. White House officials also declined to say whether they viewed the new revenue measures, including a 5 cents per barrel fee for an oil spill liability fund, as being in violation of Bush's "no new taxes" pledge.

As Congress inched toward adjournment today or tomorrow, party leaders said they believed they have worked out the few remaining differences in the $16 billion budget bill. Sources said the deal was being worked on in a private meeting late into the night with congressional leaders and White House budget director Richard Darman, who would recommend to Bush whether to veto the measure.

The bill is important because, if passed, it would enable Congress to lift the 5 percent automatic spending cuts that have been in place since October. A report released yesterday by the lobbying group Families USA said that Massachusetts would rank seventh nationally among states hardest hit by the automatic cuts.

Under the plan, Congress would leave the across-the-board cuts in place for four months and then put in place the proposed new levies and specific spending cuts.

"Things have developed in the last few hours that give me confidence that we'll reach agreement today," House Speaker Thomas S. Foley of Washington said yesterday. "I'm hopeful we will be finished today or tomorrow," said the Senate Democratic leader, George Mitchell of Maine.

Democratic officials have said that the package includes new taxes, but these officials predicted that the administration would approve of the deal and call the measures fees that do not violate Bush's pledge.

These are among the key features of the budget plan:

■ New revenue. About $5.3 billion would be raised next year and $23 billion would be raised over five years. These include a 5 cents per barrel fee on oil to fund a spill liability fund; a new $6-per-ticket tax on international cruise departures; a hike from $3 to $6 on the international airline ticket tax; and, an increase in the tax on ozone-depleting chemicals. About half of the $5.3 billion would come from a new regulation requiring businesses to speed up payment to the government of employee withholding tax.

■ Other tax law changes. Numerous taxes that were to expire this year would be extended. For example, the expiring 1 percent surcharge on Veteran's Administration loans would be retained. The plan also raises money by ending other tax breaks, such as the favorable tax treatment of bank loans given to employee-owned companies.

The plan retains tax breaks for low-income housing and research and development.

■ Health programs. The budget plan would cut $2.8 billion in Medicare spending and similar amounts in future years. The savings would be made by reducing government repayments to hospitals and doctors.

■ Defense. A key tax break that is popular among Massachusetts and other defense contractors would be eliminated. Known as the completed contract method of accounting, this break allows taxes on 10 percent of income from certain contracts to be put off until the entire contract is completed. It was expected that the tax break would be retained for some shipbuilding contracts.

■ Accounting "gimmicks." In what are widely known as gimmicks, the budget plan would "save" money by transferring debts off budget. For example, the money-losing Postal Service would be taken off the budget, theoretically reducing the deficit by $1 billion. In another change, $700 million would be saved by paying out lump-sum retirement benefits to government retirees over a two-year period.

TIPS volunteers sought

Gloucester Times, 11/21

BEVERLY – Beverly Hospital's TIPS (Timely Information on Programs and Services for Seniors) Program has an opening for volunteers to work as interviewers or reporters.

The volunteers will work for the TIPS monthly newsletter, collect anecdotes, humerous life stories and interesting tales from Lifeline subscribers and write articles. There is opportunity for travel throughout the North Shore visiting Lifeline subscribers.

Volunteers should have previous writing, reporting and interviewing skills and be willing to work with the newsletter's feature writer and editor. Four to five hours a week will be necessary.

TIPS is a multi-faceted program for North Shore elders that includes Lifeline, the newsletter and the Med-Info lecture series.

Those seeking information may call Beth Dimitruk at the TIPS office, 922-3000, extension 2845.

Fair too competitive

Bev Times 11/22

The idea of having a health fair is very nice. However, I find the competition between the children is outrageous. The children work very hard on their projects and only two get picked from each class. This is not very good for some of the children and their egos. I also find the posters by the younger children competitive. Why not create a bigger area and let all the childrens' projects go? At least all of the effort would not go totally wasted.

Beverly

Helium balloons bad idea

I would like to make a public announcement and to educate people on the helium filled balloons that if let loose in the environment usually fall into the ocean and the fish and turtle eat them and die. At the recent Beverly Health fair they were giving out these helium filled balloons. I think a health fair should set a good example and not use these again.

Beverly

Beverly Hospital has been leader

Gloucester Times 11. 22. 89

The Gloucester Daily Times published a story a few months ago, about the invasion of Beverly Hospital into Addison Gilbert's "territory." Obviously, neither you or the acting administrator of A.G.H. has read the Gloucester Daily Times over the past few years, otherwise you would have realized Beverly Hospital's presence on Cape Ann long ago.

Also, to criticize Beverly Hospital's doctors for opening an office on Cape Ann is unfounded. It is the woman and families of Cape Ann who have made a conscious and careful decision to utilize the services of Beverly Hospital. In order to more conveniently serve these women, B.H. facilites were set up in Gloucester. How ridiculous to speculate that Beverly is invading Addison Gilbert's territory.

Beverly Hospital has been a leader in promoting the latest birthing alternatives and offering modern facilities to expectant families from all over eastern Massachusetts and Southern New Hampshire.

Beverly Hospital should be given a chance as their facility has become the community hospital for many Cape Ann families seeking an alternative to A.G.H.

D. BRUCE DROHAN
3 A King St. Court
Rockport

Congress passes deficit-cut, health care bills and adjourns

BEV TIMES 11/22

WASHINGTON (AP) – Congress came together early today to complete work on catastrophic health care and the budget deficit and adjourn for the year, leaving behind a record notable as much for its own internal business as for public policy.

As they headed for the exits, the House and Senate adopted a $14.7 billion deficit-cutting bill that relied heavily on accounting gimmicks to make the required savings, and voted to cancel a program that covers catastrophic health care costs for the elderly.

Both bills were forwarded to President Bush for his signature, and the Senate adjourned at 4:07 a.m., with the House following suit 24 minutes later.

Before leaving, the House and Senate also managed to complete work on all 13 money bills needed to run the federal government for the coming year. But as they looked back on 1989, they saw little to brag about.

"We made no new bold initiatives in public policy," said House Minority Leader Robert Michel, R-Ill. The best that could be said, he added, was that House leaders have laid aside the bitter atmosphere in which the year started and set the stage for real achievements next year.

In the annual adjournment telephone call to the president at 12:47 a.m., Michel told Bush "the whole attitude around here has had a decided change." To underscore that point, Michel won approval on the House floor of a resolution thanking Speaker Thomas S. Foley, D-Wash., for his "impartial" stewardship of the House.

When Senate leaders called Bush three hours later, the president said "when all the dust settles, I think you had a pretty good session of the whole Congress."

> "*We made no new bold initiatives in public policy.*"
>
> **Robert Michel**
> **Minority Leader**

Foley, who took over the reins at mid-year when his ethics-scarred predecessor Jim Wright resigned, agreed. He listed "creating a mood of comity and confidence" as his top accomplishment.

But much of the session was consumed by controversies over the ethics of members of Congress and efforts to raise lawmakers' pay. Wright's ethics case tied up the House for nearly half the year, and six senators became snared in ethics controversies as the year ended.

"This is the unfinished Congress," said Rep. Newt Gingrich, R-Ga., the No. 2 GOP leadership official in the House. "The jury is still out."

Among accomplishments were the first increase in the minimum wage since 1981, although it was less than Democrats sought; a new bipartisan approach toward U.S. policy in Nicaragua; passage of a massive bailout for the savings and loan industry; aid to encourage political and economic reforms taking place in Poland and Hungary; and an extensive anti-drug package.

The Capitol's Democratic leaders also claimed credit for barring several things that didn't take place: the nomination of John Tower to be secretary of defense, a constitutional amendment banning flag desecration and a cut in the tax rate on capital gains.

At year's end, Congress also summoned its courage and approved another initiative which lawmakers won't claim much credit for – a pay raise for themselves and other top federal officials. With it came a series of ethics reforms, including a ban on acceptance of speaking fees.

"It's a session that began with some despair based on the internal bickering, and ended with buoyancy based on the Congress coming together on the pay raise," said Rep. Jim Leach, R-Iowa.

He said the session reflected tension between a White House and a Congress dominated by different parties, "in which the executive has prevailed in setting the agenda and reining in the instincts of Congress to spend more." At the same time, "Congress and world events have laid the basis for greater executive branch restraint on military spending in the coming years," he added.

Foley listed an ambitious legislative agenda for the 101st Congress in 1990, including clean air legislation, a major child care initiative, new progress on reducing the budget deficit and campaign finance reform. He said Congress may also need to readdress the need for catastrophic health care coverage.

Salem News 11/22

Congress repeals catastrophic care for elderly

WASHINGTON (AP) — Congress gave final approval early Wednesday to a $14.7 billion deficit-reduction bill and to a repeal of Medicare coverage of long-term medical care for the elderly as lawmakers neared the end of their 1989 session.

On a pair of quick voice votes that belied the preceding months of partisan battling on both issues, the Senate sent the measures to President Bush, who was expected to sign them.

"The end product is one I think we can take some pride in," Senate Budget Committee Chairman James Sasser, D-Tenn., told his colleagues as they began considering the budget cutting bill about 1:45 a.m.

About an hour earlier, the House voted 272-128 to approve the deficit bill.

After the vote, House leaders made their traditional end-of-session telephone call to Bush, who was asleep when the 12:47 a.m. call was made.

"We've had a good session," House Majority Leader Richard Gephardt, D-Mo., told the president. House Speaker Thomas S. Foley, D-Wash., and Minority Leader Bob Michel, R-Ill., also spoke of lawmakers' accomplishments, while Michel added apologies for "waking you up at this ungodly hour."

Earlier in the evening, the House — as it has been doing for weeks — insisted that Medicare benefits for elderly people with long-lasting diseases be completely repealed. Lawmakers rejected Senate language retaining parts of the program by 346-55, and voted by voice to eliminate the entire program.

The Senate decided to finally accept repeal, rather than return to their districts to face seniors angry over the surtax they must pay to support the initiative.

Lawmakers also became embroiled in a conflict with the Bush administration over whether the executive branch's foreign policy powers should be restricted.

Lashman seeks leaner budgets from agencies

Bev Times 11/22

BOSTON (AP) – Issuing a plea for new taxes, Administration and Finance Secretary L. Edward Lashman ordered state agencies to prepare leaner budgets for the next fiscal year that would significantly cut spending for most state services.

"There is absolutely no way we can create a base budget that meets our obligations and legislative mandates" without new taxes, Lashman told reporters at a briefing Tuesday.

Lashman said he expects state tax collections to grow by 3 percent, or $266.25 million, for the bookkeeping year that will begin July 1, 1990, assuming the Legislature does not adopt a tax-increase bill.

That money would be added to the $8.875 billion the state now estimates it will collect in taxes this fiscal year, but does not include federal aid or money from some other non-tax sources.

Lashman said at the same time, costs in programs where the state cannot directly control spending will grow $1.1 billion. That would be offset by an additional $350 million in federal reimbursements, leaving $750 million to be covered by state agencies, either through cuts or by new controls on those programs.

Those programs include Medicaid, which pays health care costs for the needy, group health insurance for state employees, state pensions, assistance to the Massachusetts Bay Transportation Authority, Aid to Families with Dependent Children, General Relief, Social Security Income, workers compensation for injured state employees, inflation and school building assistance.

Lashman said also required would be cuts of 2 percent to 5 percent in spending on all other state programs, for a total of $324.6 million. That would build a reserve fund of $247 million to cover overhead costs such as pensions, health insurance for state workers, workmen's compensation and debt service.

"Every single budgetary item will have to be cut unless we get new revenue," Lashman said. "We will have to make the case it is really not possible to meet our obligations with this narrow a revenue base."

Lashman's budget plan assumes a 1991 inflation rate of 4.3 percent and the Legislature enacting no new taxes.

It also does not take into account cost savings included in a package passed by the House because, Lashman said, he has no way of knowing what the final version will be after the Senate, possibly a House-Senate conference committee, and the governor finish their work on it.

Lashman said, for example, the state's higher education system would have to reduce spending by $37 million next year. That, he said, is in addition to the $25 million cut he mandated this year to deal with the $721 million 1990 fiscal year deficit.

The Executive Office of Human Services would face a cut of nearly $115 million next fiscal year, Lashman said. That does not include cuts that might be necessary because of increases in Medicaid.

Aid to cities and towns, including schools, would be cut by about $19 million, Lashman's figures indicated.

Lashman also asked agencies to prepare a second budget, which he called a "responsible budget" that would include urgent spending required under present law, money to meet real and urgent needs, as well as any changes in fees or taxes necessary to meet those needs.

"We must be prepared to make swift adjustments should the Legislature adopt new revenue measures during the next several weeks," Lashman said in his memo to state cabinet secretaries.

Officials prepare for budget shortfall

BevTimes 11/22

By KELLEY BOUCHARD
Times staff

IPSWICH – Town Manager George Howe said yesterday he is projecting a $900,000 budget shortfall in fiscal 1991 and is coming up with $1.35 million worth of possible cuts to make up the difference.

"If I have a $900,000 shortfall, I'll have $1.35 million worth of choices," Howe said.

If cuts aren't made, Howe said it is possible that services such as trash collection and local emergency medical care will be placed outside the budget to be voted on as Proposition 2½ overrides.

The first draft of the fiscal 1991 town budget is expected to be delivered to department heads, selectmen and Finance Committee members on Dec. 10. Despite unusually difficult conditions for preparing a budget, Howe expects to meet the town charter's deadline for the 12th year in a row.

"I've haven't missed it yet," Howe said. "I don't intend to start now."

Howe said local aid receipts for fiscal 1991 are expected to be 10 percent lower than those in fiscal 1990.

"In round figures, that's about $310,000," Howe said. In fiscal 1989, Ipswich received $1.1 million in local aid.

The budget choices Howe intends to provide for town officials will include everything from dropping certain municipal departments to placing certain town services on the ballot for an override of the Proposition 2½ tax cap, Howe said.

Proposition 2½ is a 1980 state law that limits the amount a city or town can increase property taxes. A municipality can collect up to 2½ percent more than the previous year's property tax revenues, plus a percentage of new construction value.

Selectman James Engel on Monday night advised his fellow board members to stop reacting to "bad news" as it trickles down daily from Beacon Hill. Engel also warned against cutting town services any more than they have been already this year.

"I am not about to vote for the wholesale dismantling of town government," Engel said. "If you cut town services, you incur the cost of providing alternative services and you lose the fees previously collected for those services."

Instead, Engel suggested they "recommend a certain level of services to the voters at Town Meeting and explain to them that we hope to provide them within the constraints of 2½. But if we can't, we're prepared to place them on the ballot as overrides or exclusions."

Engel said the $700,000 trash collection contract and the $165,000 Cable Hospital contribution may well end up on the spring ballot for voters to decide whether they would be willing to pay higher taxes to continue those services.

Congress rejects catastrophic care

BOSTON globe 11/22

By Nicki Weisensee
SPECIAL TO THE GLOBE
and Michael Kranish
GLOBE STAFF

WASHINGTON – Seventeen months after enacting a sweeping insurance plan that would have dramatically lowered the cost of major illnesses, Congress effectively repealed the program last night after the House refused to retain any of it.

The House voted 346-55 to reject a Senate proposal to retain part of the catastrophic care program. With that 11:30 p.m. vote and adjournment planned within hours, Senate leaders announced that the entire program was dead.

Rep. Brian Donnelly, Democrat of Massachusetts, who led the fight against the program, said the elderly had spoken forcefully against it.

"I think when you make a mistake, the best thing to do is admit it," Donnelly said. "We just didn't see the fatal flaws in our rush to expand Medicare."

Senate Minority Leader Bob Dole of Kansas said, however: "I think the House has made a mistake. . . . We still think there's reason to protect the sickest, the poorest people."

■ $18 billion package nears approval in Congress. Page 12.

Congressional officials said the repeal means that 32.8 million retirees will not have insurance that would pay medical bills for major illnesses. Under one of the benefits provided by the program, a person hospitalized for 150 days in a year would have been required to pay only $560, with the remaining

HEALTH CARE, Page 13

ngress rejects catastrophic health program for elderly

HEALTH CARE

Continued from Page 1

$21,000 cost paid by the insurance program.

Members of Congress from both parties said last night that they would introduce legislation next year to reinstate some of the benefits. Both Speaker Thomas S. Foley of Washignton and the House minority leader, Robert H. Michel of Illinois, said yesterday that they supported keeping some of the program in place.

The program came under fire after some lobbyists representing retirees fought the surcharge that finances the program. These lobbyists also said that some elderly people already had catastrophic coverage and should not have to pay for the government program. The surcharge, based on the beneficiaries' incomes, ranged from $22.50 to $800 per person.

Only the 40 percent of senior citizens who owed $150 or more a year in federal income taxes were required to pay the surtax.

The Senate proposal offered last night eliminated the surtax. It retained some benefits for hospital care, mammograms and prescription drugs. It would have been financed by a monthly premium of no more than $6 until 1994.

Sen. John McCain, the Arizona Republican who sponsored the Senate measure, said he believed that the elderly people who objected to the tax would be dismayed to learn how many benefits are being lost as a result of the repeal. He predicted that the elderly would swamp Congress next year to reinstate part of the program.

When t[illegible] repeal takes effect in January, McCain said, "We may be treated to the sight of senior citizens removed from hospitals because they can't afford to pay for their treatment."

But the House earlier in the day reaffirmed its support of repeal, voting 352-63 to eliminate the program. Rep. Silvio Conte, a Republican, and Edward Markey and Joseph Early, both Democrats, voted against the repeal. The rest of the Massachusetts delegation voted in favor of repeal.

The votes last night ended a months-long battle between the House and the Senate that has involved more twists and turns than any amusement park ride.

The repeal marked a dramatic turnaround by Congress on the issue. Just 17 months ago, when the 1988 Medicare Catastrophic Health Insurance Law passed the Senate 86 to 11 and the House 328 to 72, it was hailed as the largest expansion of Medicare since its inception in 1965.

The common argument against repeal was that there would be a backlash from the 60 percent of the beneficiaries who were not required to pay the surtax and that it would be a much worse backlash than the congressmen had already experienced if the entire program were repealed.

The program had two main problems from the start – the financing mechanism and the fact that the Congressional Budget Office substantially underestimated how many beneficiaries would qualify for the prescription drug and skilled nursing home care benefits.

President Reagan said he would sign the new law only if it were self-financing, so the authors devised two ways to pay for the program: an across-the-board increase in a premium to be paid by all beneficiaries, regardless of their financial status, and an additional supplemental premium to be paid only by those who owed $150 or more a year in federal income taxes.

Legislators agree tax hike needed

Bev Times
11/22

By **DANIEL BEEGAN**
Associated Press

BOSTON – Gov. Michael S. Dukakis and Democratic legislative leaders agree that new taxes are necessary to cut the state's $721 million deficit, but they must devise a specific revenue-raising plan to balance the budget.

Related story; page C2

Meanwhile, the chairmen of the Senate and House Ways and Means committees separately suggested tax increases in the range of $500 million or more would be needed to solve the state's fiscal crisis.

"We are in fundamental agreement. We are going to do everything we can to maximize savings, to reduce unnecessary spending, but it is clear there still will be a need for new revenues," Dukakis said Tuesday after a two-hour private meeting called by Senate President William Bulger, D-Boston.

Senate Ways and Means Committee Chairman Patricia McGovern, D-Lawrence, left the meeting in an upbeat mood about solving the fiscal crisis that has paralyzed state government for months and resulted in a state credit rating tied with Louisiana as the lowest state in the nation.

"I will characterize it as the single best meeting I have been at in the last three years with all the principals involved," McGovern said, predicting the crisis could be solved by year's end.

House Speaker George Keverian, D-Everett, and McGovern said there was no agreement at the meeting on the size or nature of the tax package the Legislature would consider to balance the budget.

McGovern said it would depend in part on the amount of savings and budget cutting the Legislature can achieve.

> ***"We are going to do everything we can to maximize savings . . . but it is clear there still will be a need for new revenues."***
>
> **– Gov. Michael Dukakis**

The House passed a bill last week it pegs at $365 million in savings, but which Senate analysts have said could be lower.

She said she planned to report the House-passed bill from her committee to the Senate floor in about two weeks after cooperating with the House and the Dukakis administration to find the maximum amount of savings.

Keverian indicated a tax bill could reach the House floor as early as next week, possibly Wednesday.

Keverian refused to speculate about the size of the tax package, saying it would be premature.

House Majority Leader Charles Flaherty, D-Cambridge; House Ways and Means Chairman Richard Voke, D-Chelsea; and Senate Ways and Means Vice Chairman Robert Wetmore, D-Barre, also attended the meeting, as did Administration and Finance Secretary L. Edward Lashman and Dukakis' chief of staff, S. Stephen Rosenfeld.

Before the meeting in Bulger's office, Voke said a figure of about $500 million would "be in the ballpark."

McGovern said she would stand by an earlier estimate that at least

Tax, page A10

Salem Hospital names physicians

SALEM — The Salem Hospital Board of Trustees recently approved the appointments of several area physicians to the medical staff. Lexington resident **Dr. Jack C. Lee**, certified in general and thoracic surgery, brings to the staff more than 20 years of experience. **Dr. May Azar**, also a Lexington resident, joins the staff with privileges in pathology and is certified in nuclear medicine. The board also approved the appointment of several physicians with privileges in internal medicine, including **John C. Beaulieu**, M.D., of Swampscott; **Mark J. Drapek**, M.D., of Ipswich; and **Keith Nobil**, M.D., of Lynn. Salem News 11/24

ncrease certain

d from page 1

lion in new taxes would be ed.

Voke said he was looking to raise taxes that would not damage the already fragile state economy and said, "Clearly there could be some movement on the sales tax."

Voke said he appeared to be in a minority in the leadership in opposing an increase in the state capital gains tax.

Senate Republican Leader David Locke, R-Sherborn, interviewed after the meeting to which he was not invited, said higher taxes could send the state economy into a tailspin.

"Taxes will sink the economy. We should lower taxes to save the economy," Locke said. But he said since Democrats control the Statehouse, voters should prepare themselves for a tax hike.

"If they say there is going to be taxes, the public better beware, there will be taxes," Locke said.

According to figures provided by the state Revenue Department, a doubling of the capital gains tax to 10 percent would raise $265 million in the 1990 fiscal year, a one-cent sales tax increase would raise $190 million for six months, a 4-cent-a-pack increase in the cigarette tax would raise $10 million and a 50 percent increase in the alcoholic beverage excise tax would raise $14.6 million. In addition, a 6-cent-a-gallon increase in the gasoline tax would raise $69 million.

Any or all of those items could be included in a tax package, but it also could include other revenue-raisers or discard some of those proposals.

In a related development, the House Ways and Means Committee sent a bill to the House floor that would again try to force the beer and soft drink industry to turn over to the state $46 million in beverage container deposits never redeemed by consumers.

The bottle money was included in the deficit-reduction package the committee sent to the House, but was voted out of the package last week on an 82-69 vote.

Voke said he hoped enough lawmakers would switch votes to pass the bill.

$18b spending package nears congressional approval

Boston globe 11/22

By Michael Kranish
GLOBE STAFF

WASHINGTON – Congress inched last night toward passage of an $18 billion grab bag of new taxes, spending cuts and a sweeping change in government payments to doctors – all in a last-minute effort to replace across-the-board Gramm-Rudman cuts in place since October.

With Republicans and Democrats pledging support for the package, a vote of approval was being delayed last night only on some details in the mammoth bill.

In what some legislators say is a contradiction of Bush's "no new taxes" pledge, the measure includes a new tax on oil to fund a spill liability program, increases in airline and cruise ship departure taxes, and raised taxes on ozone-depleting chemicals. The legislation retains many taxes that had been due to expire this year.

"This bill is superior to a full year of indiscriminate, mindless across-the-board cuts," said the Senate Budget Committee chairman, James Sasser of Tennessee. He added that he is "not at all pleased" that a four-month, $4-billion budget-wide cut would be retained, but he said there was no choice but to agree to it.

President Bush had threatened to leave in place automatic cuts that would have trimmed domestic programs by 5.3 percent and defense by 4.4 percent. Instead, the package before Congress last night has a 1.5 percent across-the-board cut in those areas, with the remainder of the savings coming from a combination of tax increases and cuts in programs such as Medicare.

Bush did not say whether he would sign or veto the bill. But White House support for the package was confirmed by the budget director, Richard G. Darman, and Sen. Pete Domenici of New Mexico, the ranking Republican on the Budget Committee.

One of the last measures added to the plan may be the most controversial – a new federal payment plan for doctors who treat Medicaid payments. Sources said that confusion about this plan was delaying final passage of the budget bill last night.

The complicated plan would create a flat national fee system for most treatments. It is opposed by many specialists and surgeons who believe it would lower their reimbursements and is supported by many general practitioners who think their payments would be increased.

Because the insurance industry is likely to adopt the fee system for private reimbursements, some believe the reform plan adopted yesterday could cause dramatic changes in the way medicine is practiced.

Warren Rudman, coauthor of the Gramm-Rudman budget law that put the automatic cuts in place, was jubilant.

Attention was being focused anew on whether the budget plan violated Bush's famous campaign pledge of "no new taxes."

Domenici was asked at a press conference if negotiators had tried to "wink" their way to a budget agreement without characterizing the $5.3 billion in new revenues as new taxes.

Domenici, in response, winked and smiled at reporters.

Referring to Darman's taxes-as-ducks simile, Domenici said, "I think the best way to say it is they are not ducks." Then, appearing to indicate that he thought they were new taxes, Domenici added: "The president asked for $5.3 billion in new taxes. He asked for it differently." Domenici said the public probably would not consider the new taxes in violation of Bush's pledge, apparently referring to the fact that they were not increases in income taxes.

Sen. Warren Rudman, the New Hampshire Republican, put it more bluntly in an interview.

"These are new taxes," Rudman said. He predicted Bush that would support increased taxes on alcohol and tobacco next year, while refining his no-new-taxes to apply to "involuntary" taxes applied to personal and corporate income.

Rudman, the coauthor of the budget law that put the automatic cuts in place, was jubilant yesterday, saying that the law had worked because it forced the budget deal into place.

Reduction target met

The budget package meets this year's deficit reduction target of about $105 billion, provides money for up to a 35 percent salary increase for legislators and allows Congress to adjourn for a two-month vacation. But it leaves unresolved the larger problem of how to reduce the deficit over the long term.

In an indication that even bigger budget problems are bound to occur next year, Domenici worried that few measures remained that could raise money without arousing public suspicions that Bush's no-new-taxes promise has been broken.

Congress is under a mandate to reduce the current deficit of $105 billion this year to $64 billion next. So the dominant issue of the next session is likely to be how Congress will be able to shave another $41 billion next year after it went through such tortuous months-long negotiations to save $18 billion this year.

Alluding to that problem, Darman told reporters yesterday that he personally may consider increases in taxes on alcohol and tobacco even though he acknowledged they would violate Bush's tax pledge. Darman, explaining his own position, said that because he feels drinking and smoking are habits that should be discouraged, increases in taxes on cigarettes and alcohol could be viewed as social policy, not tax policy. However, he said: "I am in such a small minority, I consider my views to be irrelevant."

These are among the several hundred other elements of the budget package that could have the most significant impact on New England:

- Defense. The package eliminates a tax break known as completed contract method of accounting that allows many defense contractors to defer 10 percent of tax liability until a contract is completed. Shipyards can still use the tax break.
- Education. It removes schools that have a default rate of 30 percent or more from a student loan program.
- Housing. It retains a 1 percent surcharge on Veterans Admnistration home loan that had been set to expire; and, retains a tax credit for developers of low-income housing.
- Medicine. It institutes the new payment scale to doctors for government-insured patients and cuts Medicare by $2.3 billion.
- Oil. It creates a new 5-cents-per-barrel tax on oil to fund a spill liability fund.
- Retirement savings. Employees who contribute to retirement programs such as a 401(k) plan could pay slightly more Social Security taxes. That is because the amount contributed to the plan will next year be counted as part of the Social Security wage base and thus subject to Social Security taxes. Such taxes are collected on the first $48,000 of income.

▶ *Stephen Kurkjian of the Globe staff contributed to this report.*

Salem
news
11/04/89

Congress' health plan repeal hits Bay State hard

BOSTON (AP) — Elderly residents face higher health insurance costs and legislators, already wrestling with a budget deficit, must come up with more state Medicaid money because Congress repealed a catastrophic health insurance program, officials say.

"This represents a major hit we can ill afford," said Philip Johnston, state secretary of human services.

Just 17 days after passing a health plan to reduce the cost of major illnesses, Congress repealed the measure Wednesday before adjourning for the year.

State officials said the congressional action will boost Massachusetts' Medicaid obligations by $60 million to $70 million a year just as legislators are battling a $721 million budget deficit.

The repeal will also mean higher health insurance costs for Massachusetts' senior citizens. Blue Cross-Blue Shield, which provides so-called Medex insurance to 300,000 senior citizens, estimates that it now needs a 70 percent rate increase to meet its obligations.

"There is no getting around the fact that there will be a shift of costs back to the elderly," said Karen Quigley, a Blue Cross vice president.

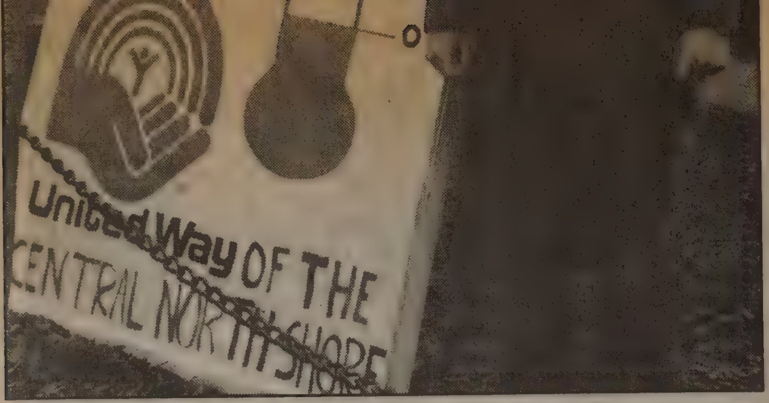
Under the catastrophic care law, the federal government would have picked up some of the cost of nursing home care for the state's elderly. With the repeal, that burden now falls back on Medicaid, the health insurance program whose costs are split by the state and federal government.

Also, because of the repeal, Medex — an insurance plan that fills holes in Medicaid coverage —will now have to pick up the cost of extended hospital stays, some doctors' visits and some nursing home care.

Last summer, Blue Cross filed for a 32 percent increase on Medex rates on the assumption that catastrophic care would be in place.

The original rate increase would have boosted a typical monthly Medex bill from $49 a month to $65 a month; a new rate-hike request of 70 percent could boost bills as high as $86 a month.

In light of the repeal, the state's insurance division is expected to reopen hearings on Medex rates.



Beverly United Way campaign chairman George Mosse is hoping the United Way of the Central North Shore thermometer in front of City Hall will start to rise soon toward this city's goal of $710,453. The total campaign goal is $850,000.

Salem news 11/24/89

Early returns lagging in United Way drive

BEVERLY — George Mosse, the Beverly chairman of the community-wide campaign for the United Way of the Central North Shore, is concerned about what he calls the low participation of Beverly residents so far in this year's campaign. This year the goal for Beverly is $710,453.

Mosse said, "It's more important than ever for citizens to participate if the services of our agencies are to be ongoing. More citizens than ever are using the services. Just about every home in Beverly is touched by the United Way in some form, and people are unaware of it."

The total campaign goal for the Beverly-based United Way is $850,000, an ambitious goal reflecting the needs of the 32 member health and service agencies which reach into six North Shore communities.

Mosse, a Beverly Farms resident, went on to say, "With all the fiscal problems of the Commonwealth and the cutbacks, along with the mobility of today's population, there's a greater need and demand for support of the services and need for the services. We all should unite and support the United Way so that people's lives will be better."

Member agencies of the local United Way are the American Red Cross, Arthritis Foundation, Bay Area Visiting Nurse Association, Beverly Coalition for Youth, Beverly Community Council, Beverly Little League, Boy Scouts North Bay Council, Camp Fire Council of the North Shore, Catholic Charities North Suburban, Center for Addictive Behaviors, Children's Friend and Family Service Society, Community Service of Hamilton and Wenham, Farms-Prides Community Association (Hastings House), Healthquarters Inc., Help for Abused Women and Children.

Hospice of the North Shore, the Jackson Laboratory, Mass. Society for the Prevention of Cruelty to Children, the Medical Foundation, North Shore Association for Retarded Citizens, Project Rap, the Salvation Army Beverly Corps and town unit corps, Society of St. Vincent de Paul, Spar and Spindle Girl Scout Council, United Cerebral Palsy Association of the North Shore, United Service Organization, Visiting Nurse Association of the North Shore, and the Beverly Regional YMCA.

Letters to The Editor

Manchester Cricket 11/24/89

Extends Thanks

Friends of Beverly Hospital were recently treated to yet another delightfully delicious Gourmet Tasting Party thanks to the generosity of some of the North Shore's finest restaurants and caterers.

William J. Creed and Son Caterer and Union Grill—Beverly, King's Grant Inn and Sheraton Tara—Danvers, Boundary Farm—Essex, Grange Gourmet—Gloucester, Griffiths Catering Service—Peabody, Hungry Fox Caterers-South Hamilton, Nathaniel's—Salem, Rosalie's—Marblehead, and Ben Sprague's—Manchester prepared and served up some of their finest gourmet delicacies to hungry and appreciative Beverly Hospital supporters at the Endicott College Gymnasium.

Also contributing to the success of the evening was Endicott college for the use of their gymnasium complex, Gid Loring's "Gid's Giddy Gang" from Manchester, who donated the evenings musical entertainment; and other local merchants and individuals with their many donations of time, services and products.

All of these fine businesses and individuals are to be commended for their generous support and participation in what has become the Beverly Hospital Aid Association's major yearly fundraiser. For your efforts we extend a sincere and public thank you to you all. And to those who attended, thank you for your continued support and encouragement.

The Beverly Hospital Aid Association
Board of Directors

---

19 have been canceled.

CANCER SUPPORT GROUP: The cancer support group at Beverly Hospital will meet on Tuesday, Nov. 28 from 7 to 8:30 p.m. in the hospital's Johnson Building on the sixth floor.

The topic this month is, "Relieving Stress with Relaxation Exercises."

Bev Times 11/27

Manchester Cricket 11/2-1/89

Dr. Debra Ann Gfeller

Appointed To Staff At Beverly Hospital

The Beverly Hospital Board of Trustees recently appointed Debra Gfeller, M.D., to its Medical Staff. Dr. Gfeller joins Drs. Gilbert Norwood, Thomas Adams, Jacob Kriteman and Paula Heimberg at Garden City Pediatrics.

Dr. Gfeller graduated from the University of Connecticut School of Medicine and completed her three year residency in Pediatrics at Massachusetts General Hospital. During her tenure she was responsible for the clinical education of third and fourth year medical students during their Pediatric rotations at Massachusetts General.

Dr. Gfeller and her husband, Michael Giaimo, live in Manchester with their three-month-old daughter.

ALLERGIST WRITES BOOK: Salem Hospital allergist **Paul J. Hannaway,** M.D., of Marblehead, is the author of the recently published critically acclaimed, "The Asthma Self-Help Book."

Hailed as a vital reference for anyone who is asthmatic or cares for an asthmatic, the 250-page volume explores in an easy-to-read format the many facets of asthma.

In writing the comprehensive book, Dr. Hannaway drew on his more than 20 years' experience in medical practice dedicated to the treatment of asthma and allergies in patients of all ages. He recognized the need to offer patients more information to assist them in understanding and managing asthma.

Board certified in allergy and immunology, Dr. Hannaway has been a member of the Salem Hospital Medical Staff since 1970. He has also served as chief of the allergy clinic of Boston Floating Hospital at the New England Medical Center, and as co-director of the allergy section of North Shore Children's Hospital. The author of numerous articles relating to asthma, Dr. Hannaway is past president of both the New England Allergy Society and the Massachusetts Allergy Society.

Hannaway is also on the planning committee for the first Asthma Education and Support Group, sponsored by the Asthma and Allergy Foundation of America. The group's first meeting will be held Monday, Dec. 4, 1989, from 7:15 to 9 p.m. at Elliot Church of Newton, located at 474 Center St., near Newton Corner. For further information, please call the Asthma Allergy Foundation of America at 734-4290.

Bev Times 11/23/89

Bond sale helps make AtlantiCare healthy

Daily Evening Item 11/24

By TOM DALTON
Item Staff

LYNN — After a decade of money problems, AtlantiCare Medical Center received some good financial news this week: Investors scooped up $36 million in AtlantiCare bonds.

Tuesday's bond sale, which will become final Dec. 6, will allow the hospital to pay for more than $10 million in renovations and also to refinance existing high-interest debt. The refinancing is one of the key steps in restoring the hospital's financial health, officials said.

"It's a gigantic step forward," said AtlantiCare President Andrew J. Riddell. "It certainly will allow us to address the inefficiencies of operations ... and allow us to put in-patient medical services in one place."

The bond sale will allow AtlantiCare to complete the consolidation approved earlier this year by the state conversion board. It will pay for renovations at both the former Union Hospital, which will open in March as the main in-patient medical center, and at the former Lynn Hospital, which will become a center for out-patient services and mental health.

AtlantiCare plans to do more than $3 million in construction — renovations and repairs — at both sites. It will expand the mental health beds from 21 to 65 at the Boston Street facility, and build labs, an emergency room, and cardiac care and intensive care units on Lynnfield Street.

Some concerns were raised prior to the bond sale because of the state's worsening financial position and the Chapter 11 bankruptcy filing by Choates-Symmes Hospital in Woburn and Arlington.

However, financial analysts who toured AtlantiCare in recent weeks did not ask about either development, according to Riddell.

Investors apparently considered the unrated AtlantiCare bonds — which sold at 10.125 percent with a yield of 10.2 percent — a good buy. The sale was oversubscribed by nearly $20 million, another indicator of interest.

Riddell called the bond sale another step in the turnaround of AtlantiCare. Other important steps were the decision in December 1988 to turn over management to Hospital Management Professionals (HMP) of Tennessee, and state conversion board approval a few months ago of the hospital's new business and consolidation plan.

Vital home care

Salem News 11/27

To the Editor:

National Home Care Week, Nov. 26 through Dec. 2, is upon us once again. This is a week to celebrate all those who have dedicated their lives in providing in-home care to those in need.

Without the care and support of visiting nurses, therapists, home health aides, and other professionals, thousands of people would be denied quality home care they need and deserve.

At the Visiting Nurse Association (VNA) of North Shore Inc. we are always aware of the importance of our services and the role our staff plays in the lives of so many North Shore patients and families. Every day our caregivers reach out to help people in need. Whether it 's starting an IV for a cancer patient in the middle of the night, checking blood pressures at a senior health clinic, or teaching a teenage mom to care for her infant, VNA of North Shore services are vital to the well-being of many people.

As the provider of home health care services for patients and families throughout the North Shore for over 80 years, all of us at the VNA of North Shore would like to say thank you to the many individuals who have given us their support over the years. And, we look forward to continuing our tradition of providing comprehensive, quality home health care services when you need us.

Thank-you.

Susan Comparone,
President and CEO,
VNA North Shore,
Danvers

TIPS volunteers sought

Gloucester Times Nov. 27, 1989

BEVERLY – Beverly Hospital's TIPS (Timely Information on Programs and Services for Seniors) Program has an opening for volunteers to work as interviewers or reporters.

The volunteers will work for the TIPS monthly newsletter, collect anecdotes, humorous life stories and interesting tales from Lifeline subscribers and write articles.

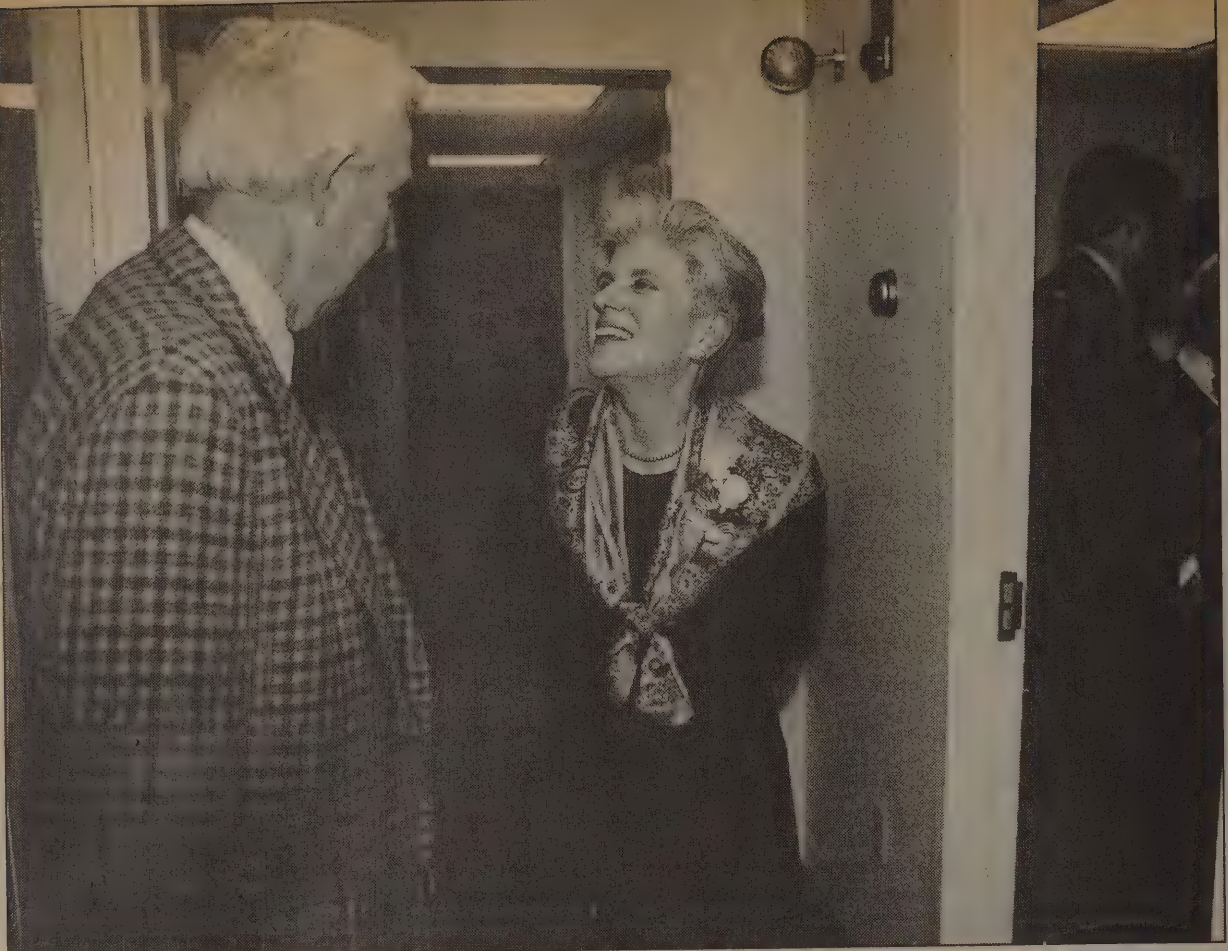
Volunteers should have previous writing, reporting and interviewing skills and be willing to work with the newsletter's feature writer and editor.

TIPS is a multi-faceted program for North Shore elders that includes Lifeline, the newsletter and the Med-Info lecture series.

Those seeking more information may call Beth Dimitruk at the TIPS office, 922-3000, extension 2845.

MALL CHOLESTEROL TESTS INACCURATE: Cholesterol screenings in shopping malls and other public settings often can be inaccurate, pose hygiene risks and frequently fail to provide counseling or physician referral, a government report said today. The report by the Department of Health and Human Services' inspector general recommends federal regulation of all cholesterol screenings that are not conducted by health care professionals. An investigation by the inspector general found that basic rules of hygiene were often ignored, qualifications and training of testers varied widely and public screenings often lacked the optimal conditions needed to produce accurate results with portable analyzers.

Bev Times
11/27



Mark Tetrault photo

Ten years after

Bev Times 11/27/89

Griffin Pension Services founder and president Alice Griffin greets guest Charles Terrel at an open house at their Willowdale location in Hamilton, held to mark the expansion and celebration of 10 years in business.

Plans for elderly housing to be presented tomorrow

Bev Times 11/27/89

By KEVIN WESLEY
Times staff

WENHAM – Developer James Brady Jr., who is building more than 50 affordable housing units for the elderly on the former Malkemus property on Main Street, will present building plans tomorrow at 7:30 p.m. at the Bessie Buker Middle School.

WEEK IN PREVIEW

Brady and designer Claude Miquelle will show specific plans for "The Maples," which will include one- and two-bedroom apartments costing between $120,000 to $190,000.

"The Maples" will include eight buildings with two to 12 apartments in each building. Living Options for Elders (LOFE), the nonprofit organization that will make final decisions on occupancy, has received 40 application requests. The deadline for filing an application is Dec. 8.

Due to the Brady meeting, the Wenham Board of Selectmen has re-scheduled its Tuesday night meeting, which will begin at 6:30 p.m.

Other meetings in Hamilton and Wenham this week include:

Monday

Hamilton Board of Public Works, 7 p.m., Town Hall.

Hamilton Board of Selectmen, 7:30 p.m., Town Hall.

Wenham Historic District Commission, 8 p.m., Town Hall.

Tuesday

Wenham Board of Assessors, 7:30 p.m., Town Hall.

Wenham Conservation Commission, 7:30 p.m., Town Hall.

Wednesday

Hamilton Youth Football Advisory Committee, 8 p.m., Town Hall.

Thursday

Wenham Board of Fire Engineers, 7 p.m., Wenham police/fire station.

Keverian demands House tax support

Bev Times 11/27/89

BOSTON (AP) – House Speaker George Keverian has turned up the heat on his leadership team, reportedly demanding that committee chairmen either support an $800 million tax hike or resign their posts.

Keverian delivered his ultimatum during the weekend, contacting several committee chairmen who have wavered over or opposed plans to increase taxes to close a $720 million budget deficit, The Boston Globe reported today.

He also outlined to several of them a tax plan that would raise $600 million for the remainder of the fiscal year that ends June 30. The hike would raise more than $800 million during the next year.

The plan includes raising the sales tax from 5 percent to 6.5 percent, doubling the capital gains tax from 5 percent to 10 percent and adding 6 cents per gallon to the gasoline tax immediately, with an additional 2 cents a year from now.

Keverian and his aides appear to have narrowed the options for the tax increase, which he has said he will bring to the House floor this week.

The tax proposal is designed to be part of the overall strategy to balance the state budget. Nine days ago, the House sent to the Senate its budget-cutting proposal.

Keverian plans to attach the tax proposal to a supplemental budget that will call for approximately $100 million in new spending this year, the Globe reported.

According to one chairman, Keverian, who is running for state treasurer next year, telephoned during the weekend and told him either to support the House leadership's tax increase plan or be removed from his post, which pays $7,500 above the $30,000 base legislative salary.

The chairman declined to be

Taxes, page A8

ia, M

s

arrived and knock

r your pet are still b

as. Fleas spend less tha

re than 90% of their time

To eliminate these

fleas on your

es

from page 1

e Globe said. Keverian vailable for comment Sun- ight, according to the paper.

ep. John McNeil, D-Malden, airman of the Committee on Health Care, confirmed Sunday that the speaker had called him Friday evening and raised the issue of his leadership position and his vote in favor of the tax plan.

"He said he was going to take various serious actions. I assume that means he will ask for resignations," McNeil said.

But Rep. Michael Morrissey, D-Quincy, chairman of the Public Safety Committee, said Keverian never threatened to take away his chairmanship if he voted against the tax package.

Still, Morrissey said Keverian was "pretty strong" in demanding support and did make references to his chairmanship.

"I can't tell you if I would resign, but if he wants to remove me, that's up to him," Morrissey said.

Budget sessions get under way

Salem news 11/28

DANVERS — The budget was not exactly gargantuan.

But Planning Director Mark D. Regan had to defend every penny of the $201,600 he is seeking for fiscal year 1991 in a meeting with Town Manager Wayne P. Marquis last week.

The meeting was the first face-to-face session involving Marquis and department heads.

The process picks up next week when Marquis will start a series of daily budget meetings with department or division heads that will take him until Christmas.

"I will be spending a lot of time," Marquis said in an interview. "In some cases, we will be spending more than one day."

Marquis has made it clear in previous discussions with department heads and the press that he is seeking tight budgets.

Marquis, however, told the departments that they could build a five-percent increase into their budgets. But Assistant Town Manager Diane M. Norris said the five-percent hike may not be in the the final budget.

"You could put any number in," she said. "It's artificial at this point."

Regan said Marquis honed in on the conservative approach in their meeting.

"I think the general theme is austerity," Regan said. "Every line item is questioned. It is far easier with us because we are a small department with a relatively small budget."

Regan's budget request was $13,000 less than the amount appropriated this fiscal year.

Norris also underscored the bare-bones approach.

"This is the theme for the year — what innovative techniques can each department head come up with?" she said.

The reason for such ideas was the uncertainty over state aid. Marquis has said he is not only worried about the amount of state aid the town will receive in fiscal year 1991, but the current year as well.

In July, the state reduced Danvers' state aid by $807,800 because of the budget deficit.

Marquis has said he was afraid that Danvers might have to take another hit later this fiscal year as well.

Due to continuing concerns about the state budget for fiscal year 1991, Marquis told Danvers department heads to take a tightwad approach to budget preparations.

"I certainly have given as conservative a message to the staff as I could," Marquis said.

Despite the conservative approach, a budget policy adopted by selectmen promised continued levels of service in education, library, public safety, planning, health, human services and public works along with preserving cultural and recreation programs.

The budgeting process this year will change from a pre-set formula under which schools (49.6 percent), general government (48.6), and the library (1.8) received fixed percentages of the budget.

The fiscal year 1991 budget will be based on priority, part of an effort to achieve closer cooperation between the three branches of government.

Any increase or decrease in the budget now will be based on priority.

The three branches held a meeting in September which resulted in the end of the percentage split.

Salem news 11/28

Hunt head defends town hospital despite losses

A News staff report

DANVERS — While acknowledging a continuing difficult financial situation, Hunt Hospital head David L. Stansberry defended the hospital's existence at a Rotary Club meeting Monday.

Displaying a newspaper editorial questioning whether it was time to pull the plug on Hunt Hospital, Stansberry said the Feb. 2 editorial in the Salem Evening News was "probably one of the most erroneous ideas to come in in a long long time."

Hunt Hospital has come under close scrutiny the past two years because of its financial situation. A number of residents question whether the hospital should exist. During fiscal year 1989, the hospital ran a multi-million dollar deficit.

Four months into the current fiscal year, the hospital is running in the black.

Stansberry said he didn't expect that to continue by June 30, the end of the fiscal year. He predicted that only two hospitals in Massachusetts would make much of a return in comparison with their budget. Hunt Hospital will not be among them, he said.

Stansberry said that 80 percent of the hospitals within the state actually would lose money by the end of the fiscal year.

Board of Trustees Chairman Philip W. Jefferson Jr., who spoke along with Stansberry, said part of the problem is the continuing failure by the state to pay the state for expenses incurred several years ago. The result is that the money Hunt eventually does receive is reduced by inflation.

"Basically, we are not receiving the money that they promised," Jefferson said of the state. "We have done what we promised to do."

In an interview after his talk, Stansberry said that failure to earn a return — the amount of which he did not specify — could affect the quality of health care offered by hospitals. Modernization also could be delayed by hospitals due to bad returns.

Several other factors are squeezing Hunt Hospital. The cost of drugs has increased 18 percent within the last year. Jefferson and Stansberry both told the lunch crowd that hospital procedures often were extremely expensive.

One benefit to the hospital is its location, Stansberry said.

"If you check the road system on the North Shore, the new epicenter of the North Shore is not Salem," Stansberry said. "It is not Beverly. It is located somewhere between West Peabody and Danvers."

"Hunt is located right in the center of that," Stansberry said, referring to the so-called Golden Triangle of Routes 1, 95, 114, and 128.

Capital gains issue snarls House tax plan

Globe
11/28

By M.E. Malone
GLOBE STAFF

The fragile coalition that the House leadership had hoped to put together to win a tax increase this year may be in jeopardy because the centerpiece of the tax increase proposal – a retroactive doubling of the capital gains tax – has become a major stumbling point.

Though the leadership has not introduced its package, which is undergoing revision because of strong objections to its contents, rank and file House members and leaders in the state's business community are predicting more fiscal hard times for the state if the tax on capital gains is increased.

"I'm very troubled and ... am agonizing over this whole issue," said Rep. Frank M. Hynes (D-Marshfield). "There has to be some revenue increase to balance this year's budget ... but I'm concerned that we're sending the absolute worst message to the business community at a time when they can least afford it."

In addition, Hynes and others said that the proposed increase in the sales tax from 5 cents on the dollar to 6.5 cents may be too high and a tentative decision by the leadership not to raise the existing taxes on cigarettes and alcohol – taxes that polls show voters prefer to raises in the sales and capital gains tax – are being roundly questioned.

■ **In push for tax plan, Keverian sheds hands-off approach. Page 70.**

TAXES, Page 16

ital gains issue shapes up the key to tax package

TAXES

Continued from Page 1

Charles F. Flaherty (D-Cambridge), the House majority leader, said the tax package, expected to be reported out of House Ways and Means tomorrow, is "still very much in flux."

The House is trying to whittle away a $730 million deficit, and Flaherty acknowledged that the tax proposals currently on the table would amount to only about $300 million this year, not the $500 million figure previously floated by the House leadership.

Flaherty also said that some compromises on the capital gains tax increase are under discussion. The current capital gains tax is 10 percent, with an exemption for 50 percent of gains earned on investments of more than one year. The current House proposal would eliminate that 50 percent exemption, effectively doubling the tax from 5 to 10 percent, retroactive to Jan 1. The majority leader said there may be some further exemptions made for capital gains earned in new companies, all Massachusetts firms or certain other long-term gains.

The recent spate of high technology layoffs, coupled with evidence that the state's economy has lost its vitality, apparently have some rank-and-file representatives worried that eliminating the current tax break for capital gains could spell more trouble for the Route 128 firms that contributed heavily to the state's health over the past decade.

The biotechnology industry that Gov. Dukakis highlighted earlier this month as a growth industry that could help Massachusetts heal its economic wounds is one of the strongest opponents to the proposed capital gains increase.

"Massachusetts has specialized in smaller, start-up companies," said Peter Feinstein of the Massachusetts Biotechnology Council. "This is an environment that's seen as anti-business, so, particularly when it comes to start-up companies, you have to help them through the down cycle."

Mark Skaletsky, chief executive officer of Enzytech, said that biotechnology companies are research-oriented and rely on their ability to attract talented people from the more mature pharamaceutical and chemical companies. In most cases, he said, workers are wooed by a compensation package that makes up for lower wages by offering stock in the new company.

"With the higher housing costs here and other factors, it's hard to attract people to this state," Skaletsky said. "This is just one more factor that makes it difficult for us to convince people that this isn't 'Taxachusetts'."

But James Braude, executive director of the Tax Equity Alliance of Massachusetts, said there is little anecdotal or actual evidence that increases in the capital gains tax hurt state economies. He said that Massachusetts is one of just seven states that give "preferential treatment" to capital gains and that a recent study showed that 27 states have raised their capital gains taxes since the Federal Tax Reform Act of 1986.

"This is an easier vote to take (as a representative) since it's the only piece of the package that doesn't directly impact their constituents," he said. "There's been a lot of talk about symbolism this year ... what kind of message are we sending the average family that has had its income and sales tax raised?"

The debate over increases in the sales tax is being fought mostly along the state's border with New Hampshire. Last week, House leaders said they were shying away from increases in the alcohol and cigarette taxes – which together would raise $52 million a year – because of objections from the border communities that compete with stores in New Hampshire, New York, Rhode Island and Connecticut.

But yesterday, representatives along the border said that the sales tax increase would hurt their communities as much, or even more, than additional taxes on cigarettes and alcohol.

---

ir reit
osition o
RUSALEM – Prime
Shamir told a parliame
terday that he
devil –

Health director backs cholesterol test controls

BEV TIMES 11/28/89

Cholesterol screenings in shopping malls and other public settings often can be inaccurate, pose hygiene risks and frequently fail to provide counseling or physician referral, a government report said yesterday.

BEVERLY – The head of the Beverly Health Department agrees strongly with a recommendation by federal officials that all cholesterol screenings not conducted by professionals should be regulated.

In fact, said Beverly Health Department Director Joseph W. Walsh Jr., no screenings should be allowed that are not done by professional health workers.

Cholesterol screenings in shopping malls and other public settings often can be inaccurate, pose hygiene risks and frequently fail to provide counseling or physician referral, a government report said yesterday.

The report by the Department of Health and Human Services' inspector general recommends federal regulation of all cholesterol screenings that are not conducted by health care professionals.

Walsh agrees, and said his department has ample experience in both the possible vagaries of tests and the hygiene necessary to ensure both their accuracy and patients' safety. The health department conducts screenings on a regular basis in its City Hall office, as well as at the annual Beverly Regional Health Fair, which attracts attendees from all over the North Shore.

"First of all, we don't have untrained or unqualified staff," said Walsh. "The Board of Health requires at their clinics registered nurses as volunteers.

"The nurses wear gloves. They cleanse the finger with alcohol rub and they clean it thoroughly. They perform the (test) using the appropriate technique, then hand the patient a clean gauze pad and they wrap it around the area that was lanced. They they use a BandAid in its manufacturing seal packet, if needed."

An investigation by the U.S. inspector general found basic rules of hygiene were often ignored, qualifications and training of testers varied and public screenings often lacked conditions needed to produce accurate results with portable analyzers.

"The public in general is not aware of these shortcomings, and does not know what to look for in safe, high-quality public screening programs," said the report.

"In addition, screening staff may be placing themselves as well as screenees at risk due to marginal observation of the basic rules of hygiene and infection control procedures," the report said.

The report was being discussed at a hearing yesterday by a House Small Business subcommittee on regulation and business opportunities, chaired by Rep. Ron Wyden, D-Ore., who requested the study.

Cholesterol screenings are conducted at shopping malls, pharmacies, health clubs, village halls and a variety of other public settings. The report said researchers found no reliable national statistics on prevalence of screenings but said that because of greater awareness of the link between high cholesterol and heart disease, "demand for screening is increasing significantly."

Walsh again said he "wholeheartedly" agrees that regulation of not only the tests but those performing the testing is needed.

"I feel that well-intended volunteers without medical background, knowledge of hygiene . . . contribute to the problems noted in the report," he said. "We have the benefit here in Beverly of many years in providing preventive screening programs and nobody leaves our screening programs without being counseled," he said.

Woman sues over husband's treatment

BevTimes 11/28/89

IPSWICH – An Ipswich woman is suing a Beverly doctor for alleged malpractice on her deceased husband.

In a case filed recently in Essex Superior Court, Amy Varley the widow and executrix of Edward J. Varley Jr., claims that Dr. Gordon Elmeer showed medical negligence in dealing with her deceased husband's colonoscopy and subsequent conditions.

According to the complaint filed, the deceased first visited Elmeer on Dec. 11, 1986, complaining of a change in bowel habits and after another visit 11 days later was scheduled for a colonoscopy on Dec. 29.

At that point Elmeer visualized the colon only to the mid transverse colon. He then told the deceased that everything was normal to that point and discharged Varley from his care and recommended follow-up procedures every three years.

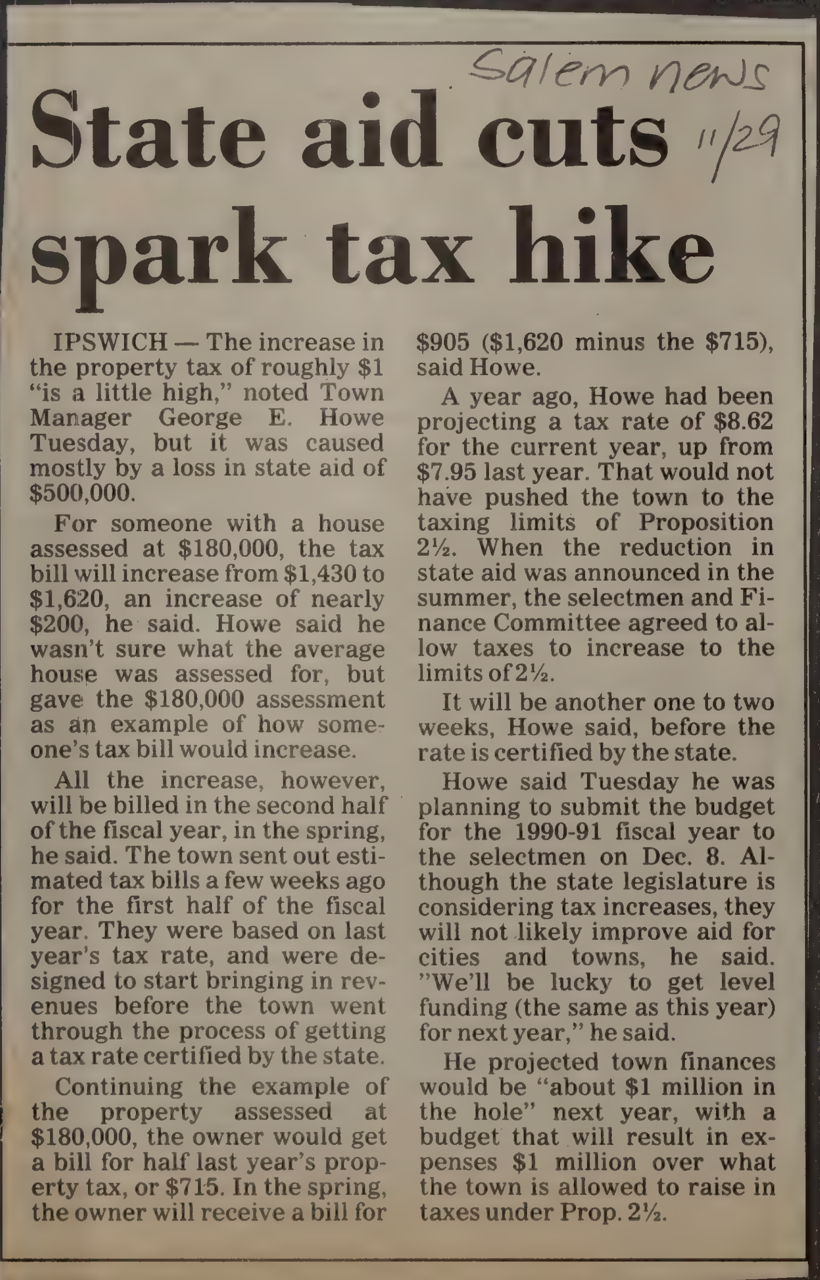
After further rectal bleeding in September 1987 another incomplete colonoscopy was performed on Varley, but then on Sept. 22, 1987, Varley was seen in the emergency of the Lahey Medical Center with further rectal bleeding.

Then, on Oct. 2, 1987, a full colonoscopy was scheduled Lahey for the first time. The test revealed cancerous tumors of the colon.

A total colectomy was then scheduled for Oct. 21, 1987. Further complications were discovered and at the time of the delayed discovery of the cancer, the prognosis was terminal. Varley died on June 25, 1988.

The complaint alleges that the defendant was negligent in performing a total colonoscopy in December 1986 and in turn allowing a cancerous tumor to continue to grow and spread.

Varley left his wife and two children.



Salem news

State aid cuts spark tax hike

11/29

IPSWICH — The increase in the property tax of roughly $1 "is a little high," noted Town Manager George E. Howe Tuesday, but it was caused mostly by a loss in state aid of $500,000.

For someone with a house assessed at $180,000, the tax bill will increase from $1,430 to $1,620, an increase of nearly $200, he said. Howe said he wasn't sure what the average house was assessed for, but gave the $180,000 assessment as an example of how someone's tax bill would increase.

All the increase, however, will be billed in the second half of the fiscal year, in the spring, he said. The town sent out estimated tax bills a few weeks ago for the first half of the fiscal year. They were based on last year's tax rate, and were designed to start bringing in revenues before the town went through the process of getting a tax rate certified by the state.

Continuing the example of the property assessed at $180,000, the owner would get a bill for half last year's property tax, or $715. In the spring, the owner will receive a bill for $905 ($1,620 minus the $715), said Howe.

A year ago, Howe had been projecting a tax rate of $8.62 for the current year, up from $7.95 last year. That would not have pushed the town to the taxing limits of Proposition 2½. When the reduction in state aid was announced in the summer, the selectmen and Finance Committee agreed to allow taxes to increase to the limits of 2½.

It will be another one to two weeks, Howe said, before the rate is certified by the state.

Howe said Tuesday he was planning to submit the budget for the 1990-91 fiscal year to the selectmen on Dec. 8. Although the state legislature is considering tax increases, they will not likely improve aid for cities and towns, he said. "We'll be lucky to get level funding (the same as this year) for next year," he said.

He projected town finances would be "about $1 million in the hole" next year, with a budget that will result in expenses $1 million over what the town is allowed to raise in taxes under Prop. 2½.

Keverian is facing a test of influence

Boston globe 11/28

Speaker seeks votes for tax package

By Bruce Mohl
GLOBE STAFF

House Speaker George Keverian is shedding his laid-back image.

For four years he has nurtured democracy in the House and encouraged legislators, even members of his own leadership team, to vote their conscience on any issue to come before the body.

As recently as three weeks ago, Keverian was saying on a Sunday morning talk show that there is no such thing as too much democracy. "I would hope we'd never be in a position where we'd say that it's much better to be an autocratic leader," and thus eliminate "democracy and the people's right to speak on issues and vote independent of their leaders," he said.

Yet, over the weekend he apparently decided to shed the Mr. Nice Guy veneer. He called some members of his leadership team and told them they would have to vote for his tax package this week or lose their positions as committee chairmen. The committee posts are sought-after perks that pay anywhere from $7,500 to $15,000 more than the annual salary.

And yesterday, Keverian tried to shore up support for taxes among liberals, meeting with 20 to 30 House members seeking to restore $80 million to $100 million to the budget. That meeting came just over a week after the House completed action on

Cerasoli said he believes Keve ian adopted a hard-nosed stance because so much is riding on this vote. "This vote will be a reflection of his leadership and his ability to lead the body and the state out of the fiscal crisis," he said.

Rep. Joseph N. Hermann (D-North Andover), chairman of the State Administration Committee, said the speaker did not threaten him on the tax vote. Hermann said he believed reports that Keverian was pressuring committee chairmen were untrue.

"That's not the man's style. It's not George Keverian. It's somebody else," said Hermann, who is likely to oppose the tax package.

Galvin, who plans to oppose Keverian next year in the campaign for state treasurer, said he had not been contacted by the speaker on the tax issue. Galvin said he is ready to support some new revenues, but he said he has yet to hear the details of the speaker's tax package.

"If the reports are true," Galvin said, referring to accounts that the speaker was pressuring his leadership team, "it would depart from the principles on which he was elected."

Keverian came to power in the House on a platform of democratic principles. Keverian himself was ousted from his post as majority leader in October 1983 for openly challenging the incumbent speaker, Thomas McGee of Lynn. At the time, Keverian denounced his removal as the "ultimate injustice."

a package of measures designed to trim about $368 million from the budget.

The tax vote is fast becoming the ultimate test of Keverian's leadership. He squeaked out a victory on a temporary 15 percent increase in the income tax in July, but officials said yesterday that he has a long way to go on this much larger, permanent tax package.

"As of today, it's still an uphill battle. The votes are not there for a tax package," said Rep. James Brett (D-Boston).

Keverian and his spokesman declined comment yesterday on the pressure being applied to members of the House leadership team. But sources said that the speaker is targeting Rep. Francis Woodward (D-Walpole), Rep. John C. McNeil (D-Malden), Rep. Michael W. Morrissey (D-Quincy), Rep. John Flood (D-Canton), Rep. William Galvin (D-Boston) and Rep. Robert Cerasoli (D-Quincy).

Rep. Kevin Blanchette (D-Lawrence), a close ally of the speaker's, is reportedly also being pressured. Blanchette did not return phone calls yesterday.

Cerasoli, the chairman of the House's Post Audit and Oversight Committee and a vocal opponent of new taxes, said Keverian did not threaten him but made his position perfectly clear.

"He feels as speaker that I should be either with him or resign, and I feel the same way," Cerasoli said. "He has a right to demand loyalty from his leadership."

Cerasoli said he had not decided where he stands on a still-evolving tax package that now includes a doubling of the tax on capital gains, a 30 percent increase in the sales tax, 8- to 10-cent increases in the gasoline tax, and recovery of bottle and can deposits that go unclaimed in the future.

In a speech on the House floor, Keverian denounced his demotion as "unilateral and senseless" and said that he would not be a dictator as speaker and would even seek to change the rules to prevent such demotions in the future.

House Majority Leader Charles Flaherty (D-Cambridge), who also objected to his demotion from a committee post in 1983 for challenging the incumbent speaker, said he was not familiar with Keverian's conversations with committee chairmen.

Flaherty, however, indicated that he was supportive of Keverian's get-tough policy. "Generally speaking, you're either part of his team or you're not," he said.

Rep. Christopher Hodgkins (D-Lee), chairman of the Local Affairs Committee, said he will support the speaker's tax package and is even pressing to include higher taxes on alcohol and cigarettes. Hodgkins said he was glad that the speaker was cracking down on recalcitrant chairmen, specifically mentioning Cerasoli and Flood.

"I think it's long overdue. I don't look at it as anything like heavy-handed. I think people are looking at it as responsible leadership," Hodgkins said.

Flood, like several other opponents of new taxes, said he would not resign his post as chairman of the Legislature's Taxation Committee. To force him out, Keverian would have to call a Democratic caucus and oust him on a secret ballot.

"You never fire anyone for being correct," said Flood, who is a candidate for governor. Flood said he favors making another $200 million in cuts and then waiting until June to find out how bad the deficit is. At that point, Flood said, he would issue bonds to cover the deficit and pay them off by extending the temporary income tax increase another six months.

Group says tax repeal is headed for ballot

Boston Globe 11/28

By Frank Phillips
GLOBE STAFF

The state's tax cut advocates, who last week expressed concern their referendum drive might be in trouble, yesterday said they have gathered enough signatures to place on the 1990 ballot a petition to roll back $1 billion in taxes and fees.

Chip Faulkner, associate director of Citizens for Limited Taxation, said the organization's volunteers had submitted to town and city clerks for certification far more than the 50,525 signatures needed for the petition to appear on the ballot.

"We've got the signatures. It's just a matter of picking them up from the town clerks," Faulkner said. "I'm pretty confident we got more than we need."

Referendum organizers had to get the signatures to town and city clerks in all but one of the state's counties by last Wednesday. They had until 5 p.m. yesterday to submit signatures in Suffolk County.

If Faulkner's assessment is correct, it means that his group's controversial plan to roll back taxes and fees to a July 1, 1988, level is assured of getting on the ballot next year.

The petition has struck fear into the liberal establishment because, if approved by voters, it would mean cutting $1 billion in taxes and fees.

The fee cuts proposal has also created strong opposition from a large segment of the state's business leaders, who say the cuts would jeopardize the state's bond rating. Part of the provision would strip the state's independent authorities from setting fee levels and place the responsibility with the Legislature.

While the tax cutters were claiming victory, a leader in one of the efforts to raise taxes was conceding defeat. That petition drive, to add one cent on the dollar on the state sales tax and earmark the extra funds for public education, appears to have failed.

PAUL TSONGAS
Criticizes teachers over tax plan

"It looks like the signatures will fall short," said former US Sen. Paul Tsongas, chairman of the Board of Regents of Higher Education. Tsongas helped lead the effort.

Tsongas blasted the state's "educational establishment" for not backing the signature drive and accused it of "taking a walk" because, he said, its leaders objected to the petition's plan to require that the money be used in certain ways.

"Never in our calculations did we presume the educational establishment would take a walk," Tsongas said. "We had virtually no signature-gathering support from the teachers' unions, the superintendents' association, and the school committee association, with few notable exceptions. "It is a commentary on just how far we have to go to make people realize how serious the problem is," Tsongas said. "It speaks volumes as to the non-recognization of what confronts us."

Reacting to reports of the signature drive's apparent failure, the Joint Committee on Education, acting on a bill from Rep. Nicholas A. Paleologos (D-Woburn), the House chairman, yesterday approved legislation that incorporates the language of the petition.

In other referendum efforts, Massachusetts Municipal Association officials declared victory in the group's petition drive for a ballot referendum on its proposal to dedicate 40 percent of state tax revenue growth to cities and towns.

"We feel secure that we made it," said Sheila Chiements, association president, who estimated that the group's drive gathered up to 75,000 uncertified signatures.

Others expressing confidence that they gathered enough signatures included: a group seeking to pass a constitutional amendment guaranteeing women the right to have abortions; enviromentalists seeking a law to require that consumer goods be packaged in recycled materials; and a group that wants to extend the sales tax to certain business services and reduce the 50 percent deduction on the captial gains tax to 30 percent.

Organizations with enough signatures must collect all the signature papers after they are certified by city and town clerks and deliver them to Secretary of State Michael J. Connolly by Dec. 6, in order to qualify for position on the 1990 ballot.

Lawsuit threat prompts coverage

Salem News 11/29/89

DANVERS — Hunt Hospital is seeking insurance for its professional staff to guard against lawsuits.

The coverage, which the hospital, thus far, has yet to obtain because of the difficulty in finding a company to provide the insurance, would benefit physicians and other staffers only in their administrative work.

Although Hunt Hospital staffers have been sued in the past, the hospital has no major problems that led to the search for coverage, Hospital Administrator David L. Stansberry said.

"They would like to feel that the decisions they make and the actions they take are going to be covered," said Arnold M. Marrow, a member of the Board of Trustees, Tuesday. Marrow was on a committee studying the idea.

Stansberry said that problems in other states has contributed to the concern.

Chief of Staff Dr. Dougald MacGillivray cited a case in California almost four years ago where a doctor was awarded millions of dollars after being denied admittance to a hospital by physicians there.

Doctors at Hunt sit on committees that decide whether to allow another doctor to practice there. If the hospital turned down an applicant, a lawsuit could result. Without the insurance, staffers might be personally liable.

Malpractice would not be covered by the proposed insurance. Doctors already have coverage for malpractice.

"We feel we do an excellent job anyway, but you never know when someone comes here with the clear purpose of filing a suit," Stansberry said. "We want to remove the concern for risk and objectively decide these matters."

Stansberry said during a trustees meeting that having the coverage would enable staffers to do their "best work . . . unhampered."

Town Manager Wayne P. Marquis supported the idea.

"We want to ensure that our employees and agents for the town, in their officials capacities as officers of the hospital have adequate safeguards and protection," Marquis said. "That is certainly a reasonable request."

Professional staffers tried obtaining the coverage several years ago without luck, Stansberry said.

Since Stansberry came on board 14 months ago, the issue resurfaced when Hunt doctors asked for the coverage once again.

Stansberry turned over the search for a policy to the Hastings-Tapley Insurance Co. in Danvers, which has written policies for the town. That was five months ago, but the Hunt staffers still have no policy.

A Hastings-Tapley representative could not be reached for comment.

Stansberry said the difficulty has been in finding an insurance company willing to write a policy tailored to Danvers. What makes the Hunt policy different from others is that the hospital is town-owned.

Chances are that Hastings-Tapley will be able to obtain coverage for Hunt staff. "This is typical," he said. "This is done throughout the country."

Stansberry estimated that $3 million worth of coverage, the amount that Hunt probably would seek, would cost approximately $25,000.

Freeze sought for Medex rates

Boston Globe 11/29/89

GLOBE STATE HOUSE BUREAU

Advocates for elderly people joined legislators at a State House news conference yesterday to urge passage of a bill that would freeze Medex and other small Blue Cross-Blue Shield policy rates.

The Joint Committee on Insurance heard testimony after the press conference on a bill introduced by Sen. John Houston (D-Worcester) to freeze the rates for one year and mandate the state's Division of Insurance to conduct an evaluation of Blue Cross' structure and efficiency.

The measure also asks for an evaluation of the state's laws and regulations for health care coverage and a study of the market conditions, including rates and underwriting practices.

Houston pointed to a freeze in medical malpractice rates in 1985 as a successful precedent for his proposal. He said the hold on rates then allowed the insurance commissioner to restructure rates for the medical field. Houston said a similar one-year freeze would allow the insurance commissioner time to study Blue Cross' management and formulate a rate control plan.

The insurance division is currently considering a Blue Cross request for a rate hike that Houston said totals 70 percent, a hike he said would leave about 200,000 Massachusetts seniors and handicapped citizens without health coverage.

"The [proposed] rate increase would be a tremendous hit, a crushing blow to the elderly," said Houston. "We need to call for a timeout."

Houston said the rate request by Blue Cross is in part a result of the repeal of the federal catastrophic health coverage. He called the request "appallingly large, even for health insurance."

The committee is expected to act on the bill sometime next week.

Hospital faces more budget cuts

Bev Times 11/29/89

By PAM DERRINGER
Times staff

DANVERS – Despite a hefty $855,546 cash surplus for the first four months, Hunt Memorial Hospital will be developing more cost-cutting proposals next month to bring its future expenses into line with revenues.

Hunt officials said the hospital had a large year-to-date cash surplus as of Oct. 30 because it received two overdue Medicare payments from the state during the first four months of the fiscal year, which began July 1.

Of more significance, however, is the hospital's $532,122 accrual deficit through Sept. 30. An accrual balance, which is considered a key indicator of the hospital's fiscal health, includes anticipated revenues from patient billings as well as cash on hand.

Hunt budgeted for a $244,000 accrual deficit for the entire year; however, the deficit climbed to $532,122 by Sept. 30, in just the first three months.

The hospital must take steps to bring the figures closer to projections, said Hunt Assistant Administrator Michael Morris.

Asked if the proposed reductions might include layoffs, Hunt Administrator David Stansberry said yesterday it is too early to speculate.

"We need to identify the numbers and put together a plan," Stansberry said.

Two months ago, Hunt laid off 20 employees, including some part-time workers, and left 31 vacancies unfilled in order to save about $1 million for the fiscal year ending June 30, 1990. Stansberry said he believes that the hospital is achieving the savings it anticipated from the recent layoffs and unfilled vacancies.

Morris said he will develop a cost reduction plan and present it to the town manager and hospital trustees some time this month. The next full meeting of the trustees is Dec. 26.

In addition to its fiscal problems, Hunt is not meeting its 80 percent goal for occupancy rates (occupancy is only 77 percent) nor its seven-day target for length of stay (the average is 7.5), Morris said.

As for cash receipts, Hunt expects to meet or exceed the $26.3 million annual revenues promised to the town, Morris said. If Morris is correct, Hunt will not require any supplemental funds from the town's cash reserves to balance the hospital budget at the end of the town's fiscal year on June 30.

The maternity unit has been particularly affected by the decline in occupancy, with a year-to-date occupancy rate of 36 percent, compared to 75 percent the previous year, before the August departure of its two leading obstetricians.

Stansberry said he expects the maternity occupancy rates to remain low until Hunt finds new doctors to boost its obstetrical staff.

But maternity was not the only hospital statistic to drop for the first four months of fiscal 1990.

Visits to the Walk-In Medi-Center at Liberty Tree Mall declined from 3,424 in fiscal 1989 to 3,098 this year; outpatient visits declined from 12,182 to 10,949; emergency visits from 5,421 to 5,152, and overall admissions were down from 1,471 to 1,178.

Major operations declined from 883 to 778; however, minor operations rose from 109 to 169.

Rep quits post in tax wrangle

Salem news 11/29/89

BOSTON (AP) — House leaders continued to lobby for support of an $800 million tax package as today's Ways and Means Committee vote on the proposal drew close and new taxes drew fire from all sides.

The new taxes claimed their first victim Tuesday when the House chairman of the Post Audit and Oversight Committee resigned rather than support it.

Rep. Robert Cerasoli, D-Quincy, fell under Speaker George Keverian's weekend edict to several chairmen that they should resign their posts if they did not support the new taxes.

"I simply cannot vote for taxes," he wrote in a letter delivered to Keverian. "Taxes are not right without a greater effort on our part to solve this problem and I owe it to the people I represent to stand on the side of principle over our own personal friendship."

His resigned effective Dec. 31. By resigning, Cerasoli gives up a $15,000 salary on top of his base legislative pay of $30,000. He also gives up control of the third largest staff in the House.

The new package would allow the state to collect future unclaimed bottle deposits and increase the capital gains, sales and gasoline taxes.

Keverian plans to attach the tax proposal to a supplemental budget that will call for approximately $100 million in new spending this year to restore funds to human services and education budgets.

Legislative leaders and the governor held a luncheon meeting to discuss the package. S. Stephen Rosenfeld, Gov. Michael S. Dukakis' chief of staff, said much of the discussion centered on which taxes to emphasize.

"The value of various combinations was discussed. Everything is on the table," Rosenfeld said.

House Majority Leader Charles Flaherty, D-Cambridge, said Monday the plan includes raising the sales tax from 5 percent to 6.5 percent, doubling the capital gains tax from 5 percent to 10 percent and immediately adding 6 cents per gallon to the gasoline tax, with an additional 2 cents a year from now.

House sources indicated the package was evolving as the leadership lobbied for votes. In particular, the sources said, the sales tax may be increased to 7 percent and the capital gains lowered to 7.5 percent in order to swing votes.

Flaherty, however, maintained that the package remained largely the same. While Monday he had said cigarette and alcohol tax increases were ruled out, he refused to reiterate that statement Tuesday.

The full package will be unveiled at the House Ways and Means meeting Wednesday, and Flaherty said legislators would stay through the weekend to complete work on the package.

Tax foes were incensed at the speaker's charge to his committee chairman and further tax increases without more reductions in spending.

Rep. Steven Pierce, R-Westfield, and the Minority Leader, remained opposed to any new taxes.

"It's my contention that we can make the reductions in spending," said Pierce, who claimed the $720 million budget deficit has been "overstated to stampede legislators ... to a Christmas tax rush."

Barbara Anderson of the Citizens for Limited Taxation predicted representatives would defeat the package until a savings package passed last week receives final action.

Flaherty had no reservations about the proposal's success.

"When the tax package comes to the floor of the House, we'll have th votes to pass it," he said.

The hard line Keverian struck with his leadership marked a drastic change for the speaker, who regained the speaker's chair by advocating a more open policy.

His message, however, appeared to be delivered only to selected chairmen. Rep. William Galvin, D-Brighton, and Rep. Jack Flood, D-Canton, who has struck an anti-tax stance, received no mandate from the speaker.

Galvin has conceded new taxes will be needed to rescue the state from financial disaster.

Group gathers signatures for tax hike question

BOSTON (AP) — Just one day after tax foes declared success in a signature drive for a tax reduction petition, the Tax Equity Alliance of Massachusetts said it gathered more than 130,000 signatures for a tax hike initiative to boost social services funding.

"The message is not that people are pro-tax," Jim Braude, executive director of TEAM, said Tuesday at a Statehouse news conference. "The message is that there is a powerful constituency who are for fair and equitable taxes. Not all taxes are created equal."

But even though Braude proclaimed "this is not a battle of the budget-balancers," the front lines were clearly drawn between TEAM and the Citizens for Limited Taxation, which on Monday submitted the required 50,025 signatures for a tax-reduction petition that would roll back $1 billion in taxes and fees.

Robert Haynes, secretary-treasurer of the Massachusetts AFL-CIO, sharply decried the leader of Citizens for Limited Taxation at Tuesday's news conference.

"I want to dispel the myth that Barbara Anderson represents the citizens of this Commonwealth," said Haynes. "She represents high tech, high income capital gains citizens of the Commonwealth."

Anderson said later that TEAM's plan to shift taxes to pay for human services is unrealistic.

"This is all wishful thinking on their part," she said. "It isn't that we're an organization that favors business. I don't know too many people who wouldn't favor a tax increase if it went for things they believed in. The problem is, it won't. I, for one, won't pay another cent into the black hole of Dukakis'."

Called the "Invest in Massachusetts' Future Fund," the initiative petition would designate new revenue for education, human services, safe roads and neighborhoods and environmental protection and would reduce the state's capital gains deduction. It would generate an estimated $300 million in revenue.

The petition would also end the sales tax exemption for engineering, architecture and business consulting services while requiring large corporations to make public the amounts they pay in state taxes.

The tax proposal would also:

- Establish a Taxpayers Bill of Rights.
- Create an unpaid, bipartisan Task Force on Ethics and Efficiency in Government to cut money spent on state consultant contracts by at least 25 percent.
- Create increases in the exemption for senior citizens and the deduction for work-related child care expenses resulting in a tax break for low- and middle-income households.

Boston Globe 11/29/89

Senior Set

JEAN DIETZ

Where to find Medicare answers

If you have problems in figuring how and what Medicare pays for senior health care, you are not alone. To confuse the situation further, many benefits announced last year are now out because last week Congress voted to repeal the Catastrophic Care law.

Before the final vote, Sen. Lloyd Bentsen (D-Texas) argued for keeping some benefits in place while repealing just the hated surtax used to fund most of it. Among benefits he argued to keep in the final watered-down version were coverage for hospital bills and mammograms for older women. Before the final vote to repeal everything, however, Bentsen said "I must tell you. It's a pretty thin gruel."

Huge increases in private insurance rates have been forecast without the catastrophic-care program in place.

The Massachusetts Peer Review Organization (PRO) has a toll-free hotline that may help provide information to Medicare beneficiaries or their representative. Staff is also available to speak to senior groups and organizations.

If you have a question about hospital benefits under Medicare (Part B) or about the quality of medical care you or a family member received, or if you want to appeal a written notice from the hospital or PRO, contact community outreach staff by calling MassPRO at 1-800-252-5533.

By state law, hospitals are required to provide Medicare beneficiaries with discharge plans before patients leave the hospital. Despite cutbacks in home care help, it is still up to the hospital to assist with arrangements for adequate home care plans, according to PRO staff.

Many Medicare beneficiaries deny themselves care they need because they fear that Medicare will not reimburse them or their health care providers. The Massachusetts Medicare Advisory Project (MMAP) provides free legal advice and representation to the elderly and disabled who have been incorrectly denied Medicare benefits. This agency can answer a wide range of questions about Medicare coverage policies, guidelines, new policy interpretations and the process for appealing Medicare denials. There are four regional offices. For referral to the one nearest your home or greater Boston and northeast Massachusetts, call Greater Boston Elderly Legal Services at 1-800-323-3205 or (617) 536-0400.

• • •

Hospital's Medication Hotline now ready for action

Bev Times 11/21/89

By KAREN DiCONZA
Times staff

BEVERLY – Suppose it is 3 a.m. and your 2-year-old son is crying with the chills from the crib in his bedroom. You just took him to the doctor earlier that day to get medication for a nagging ear ache and but you're concerned that something may be wrong.

Is it the medication? Is this a normal side effect? Who do you call for answers at that time of night?

Dial 922-3000 and press the buttons for extension 6337, according to Daniel Newberg, Beverly Hospital's chief pharmacist.

That will connect you with the hospital's new 24-hour "Medication Hotline," a prescription information service that went into service last week.

"It's not intended to be an emergency number, but this is one of the type of situations where the hotline might be able to help," Newberg said of the automated tape which features information on more than 200 drugs.

Beverly Hospital is the first hospital in Massachusetts and 21st in the nation to provide such a hotline. The only other one in New England is at the University of Rhode Island Hospital in Providence, Newberg said.

Each of the drugs has a three-digit code number which the caller must enter from a push-button telephone. After the code is pressed, the taped voice on the hotline provides the following information:

- A description of the drug.
- Why it is important to take it as directed.
- What the side effects are and which are abnormal.
- What to do if an improper dosage is given.
- What food or beverages should be avoided while on the medication.
- And, any other major precautions that the patient should be aware of.

"I really felt that people don't get enough information about prescriptions and I think it really is going to be a neat service for the people of Beverly," said Newberg, who began researching the hotline two years ago.

Newberg said he came up with the idea of instituting the hotline after reading articles in medical journals that states that many people do not get enough information about the medicine they are taking.

"A Federal Drug Administration study said that 34 percent of people don't get enough information," he said. He added that 83 percent of Beverly residents polled by the hospital said they would like more information about prescription drugs.

Residents who would like a list of the codes for the more than 200 drugs featured on the hotline can do so by calling the hotline, entering Ext. 125, and leaving a name and address on the tape. The tape also will list the lengthy list of prescription code numbers after a person enters Ext. 173.

Another feature of the hotline is an individual consultation with a pharmacist, which costs $10 for five minutes. For this personal conversation, enter the Ext. 322.

HOLIDAY GREENERY

Salem News 4/30 ✓

Salem Hospital Aid Association members, from left, Sandy Cross and Marilyn Canton, of Marblehead, Debbie MacLean of Danvers and Sally Collier of Marblehead, put the finishing touches on boxwood trees to be featured at the association's annual Holiday Bazaar which will be held from 7:30 a.m. to 3 p.m. Friday, in the hospital's Davenport Building. The level two reception area will be filled with an array of handcrafts, home-baked and gourmet treats, plants, decorator items, seasonal decorations, woodenware, games for children and collectibles of all kinds. A hand-made quilt by Joan Leonard of Marblehead will be raffled at the bazaar.

Local reps carry key to vote on taxes

Bev Times 11/29/89

Tax increase positions

State legislators, including those from the North Shore, are voting on a package of tax increases as part of a solution to the state's budget shortfall. Here is how local legislators stand on the temporary income tax passed this summer, an increase in the state sales tax from 5 to 6.5 percent, a 100 percent hike in the capital gains tax and an increase in the gasoline tax from 11 cents to 17 cents per gallon.

LEGISLATOR (Party-City/town)	Income	Sales	Capital gains	Gasoline
Frances Alexander (D-Beverly)	YES	?	?	?
Forrester Clark (R-Hamilton)	NO	NO	NO	NO
Patricia Fiero (D-Gloucester)	YES	YES	YES	YES
Michael Ruane (D-Salem)	NO	Not available	Not available	Not available
Peter Torkildsen (R-Danvers)	NO	NO	NO	NO
Thomas Walsh (D-Peabody)	YES	NO	NO	NO

Source: July 13 vote on temporary 15 percent income tax hike and interviews with individual legislators.

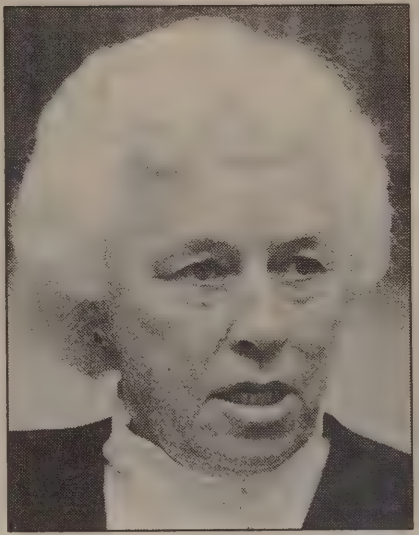
By **DONALD BRICHTA**
Ottaway News Service

BOSTON – About 40 low-profile rank-and-file House Democrats, including Reps. Thomas Walsh of Peabody and Frances F. Alexander of Beverly, hold the key votes on the controversial $800 million tax package being prepared by House leaders.

Between 20 and 30 of those lawmakers will have to support higher taxes to provide the 81-vote majority needed to pass the package. And even though a tax proposal has been discussed since January, many legislators remain undecided as the House prepares to debate what many see as the most significant bill of the decade.

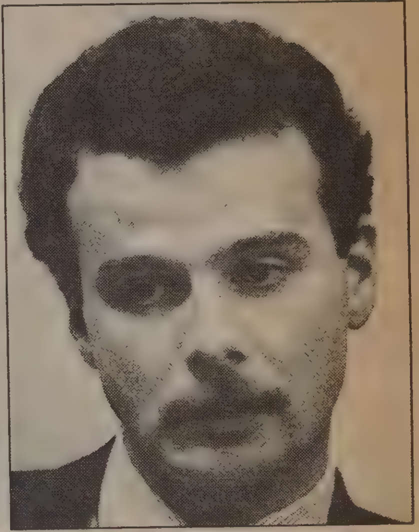
The 160-member House is clearly divided into three camps: About 70 members, including the 32 Republicans and conservative Democrats, who refuse to support new taxes; about 50 Democrats, mostly liberal or members of the leadership, who will support taxes; and the 40 swing votes, many of whom say they will not decide until the last possible minute.

Rep. Patricia Fiero, D-Gloucester, who supports higher taxes, described the swing votes as Democrats who believe "government has an obligation to provide services, but who have constituencies that are very conservative. They are people torn by a fear they will not get re-elected or will face a very difficult election challenge."



"In the end I have to be the one to decide. Mostly I want to do the thing that will best service the state."

– Rep. Frances Alexander, D-Beverly



"I don't want to give the impression that I am wavering. If I had to make that vote (on new taxes) today it would be 'No.'"

– Rep. Thomas Walsh, D-Peabody

Bev Times 1/30/89

Caldwell launches fund-raising campaign

By KELLEY BOUCHARD
Times staff

IPSWICH – The Friends of Caldwell Convalescent Home have launched a fund-raising campaign to make up for more than $500,000 in Medicaid payments the state owes the non-profit facility.

Letters from the support group have been sent to town residents soliciting donations to help the Green Street nursing home "weather the state budget crisis and provide the type of home our residents deserve."

While cities and towns are currently dealing with a sudden and drastic drop in local aid funding, nursing homes across the state have had to fight for every Medicaid payment received since 1987.

"They have paid us a little, but they still owe nursing homes billions of dollars in Medicaid payments that were withheld for the past few years," said Caldwell Administrator Jeannette Connor.

Connor said nearly three quarters of the nursing home's 60 residents rely on Medicaid to cover the cost of their stay.

Caldwell's financial situation was aggravated this year when the catastrophic care law went into effect in January, Connor said.

Although the law was recently repealed, it was on the books long enough to severely hinder the nursing home's cash flow, Connor said. As a result, the nursing home had to borrow $80,000 from the Friends of Caldwell to cover regular expenses, she said.

"We haven't cut anything yet and hopefully we won't have to," Connor said. "We've been able to maintain services, but that doesn't account for any capital improvements."

In 1985, the nursing home added a new air-conditioned wing that included 15 new beds and recreational facilities. Connor said the remaining beds and furniture – much of it more than 30 years old – needs to be replaced. The rest of the home, where temperatures in the summer sometimes reach above 100 degrees, also needs air conditioning, she said.

NEW OFFICE OPENED: Beverly Hospital Medical Staff member **Efstratios Demetrious,** M.D., a pediatrician specializing in adolescent and young adult medicine, will open a new office especially for the care of individuals between the ages of 11 and 25. The new practice, Adolescent-Young Adult Health Associates of the North Shore, located in Liberty Tree Park, Danvers, will provide clinical services, health and lifestyle counseling, and health related education for adolescents and their parents. In addition to the new office, the doctor will continue to practice general pediatrics and adolescent medicine with the Harvard Community Health Plan in Peabody.

Bev Times 11/30

E. Demetrious

Dr. Demetriou received his medical education at the State University of New York. He completed a residency in pediatrics and a fellowship in general pediatrics at New England Medical Center. He also held a fellowship in adolescent medicine at Children's Hospital in Boston. His professional experience includes positions as associate chief, section of adolescent medicine, at the department of pediatrics of the University of Oklahoma Health Sciences Center, and staff physician at the adolescent center of Boston City Hospital.

Daily Evening Item

TIPS program seeks reporter

11/30

Beverly Hospital's TIPS program (Timely Information on Programs and Services for Seniors) has an opening for a volunteer interviewer/reporter. The indivdual will write articles after visiting Life-Line subscribers. The position requires four to five hours a week. For more information, call Beth Dimitruk at (508) 922-3000.

Salem news 11/30

Mediplex nursing facility allowed to add 12 beds

BEVERLY — The Zoning Board of Appeals has unanimously approved an increase of 12 beds at the Mediplex Long Term Care Facility, 265 Essex St.

Board members granted a special permit for the increase this week following a public hearing on a petition which asked to convert 12 private rooms to 12 semi-private rooms.

Mark B. Glovsky, the lawyer for the nursing home, said one of the reasons for the request was an increase in the demand for beds at long-term care facilities. The special permit will increase the number of beds at the facility from 190 to 202.

Glovsky noted that the nursing home was built in the 1950s with a capacity for 160 patients. He said the ZBA increased that number to 190 in 1972.

Top state court agrees to hear local aid suit

Salem news 11/30/89

BOSTON (AP) — The state Supreme Court plans to hear a lawsuit filed against the Dukakis administration by the governor's home town, seeking to restore $210 million in local aid withheld because of the state's fiscal crunch.

The suit was filed in August by selectmen and members of the school committee in Brookline, where Gov. Michael S. Dukakis grew up and still lives. More than 140 cities and towns across the state, including Newton, Amherst, Arlington, Northfield, Salem and Gloucester, have since joined the suit.

Speaker George Keverian directed the House Counsel Monday to file a friend of the court brief in support of the lawsuit.

Keverian issued a statement supporting the town's argument that Dukakis did not have the authority to conditionally veto certain local aid items during the 10 days he had to review the budget.

Keverian's brief charges that the governor should not have withheld funds after the Legislature overrode conditional vetoes.

Brookline officials filed the suit Aug. 2. Their action occurred shortly after state lawmakers adopted the fiscal 1990 budget in which they set aside $1.2 billion in aid to schools, the same amount as the previous year.

Dukakis reduced the amount by $210 million by partial veto, prompting the suit in Suffolk Superior Court.

The cut in aid resulted in the elimination or reduction of 8,000 teachers around the state, according to Brookline town counsel David Turner.

The suit also charges that the cuts were unfairly weighted toward certain cities and towns at the expense of others.

Turner said that small and medium cities and towns, particularly in the central and western parts of the state, received less money for public schools.

Hunt continues for more housing sites

Salem news 11/30/89

A News staff report

DANVERS — A decision is likely to be made within the next month about whether the town will attempt to buy more land for family housing.

Danvers already has three other sites set to go for family housing, but an application for a state grant said that Danvers would have a fourth site.

The Danvers Housing Authority also is still awaiting word on whether it will receive the state money. Danvers applied for $1.2 million and is expected to learn soon about the funding.

The problem was that the budget deficit put a crimp on state spending.

Planning Director Mark D. Regan said Monday that the town will determine whether to go ahead and have the property appraised. He said Danvers would not have an appraisal done unless it was interested in obtaining the property because of the approximate $1,000 cost involved.

"It's a possibility," Regan said of the site. "That is about as much as I can say at this point.

"Maybe, maybe not," Regan said on the possibility of buying the land. "I'm inclined to say I am optimistic about it."

Town officials have refused to say where the property is located or the name of the owner.

Regan said he thought the owner had yet to have the property appraised. He also was uncertain of the price of the property, although he had his own ideas about the cost. He did not disclose how much he thought the land was worth.

Town Manager Wayne P. Marquis was upbeat last week in talking about the new property under consideration.

"We are talking with a private party and have at least had a positive discussion with the party," he said. "It is possible. That is all I can say."

The site, which is more than one acre, contains no buildings.

Talks were mot recently held within the past month with Regan and an attorney of the authority present.

Marquis said that the private option generally has not been attractive because of the cost involved. A lot of between 10,000 and 30,000 square feet tends to cost between $125,000 and $150,000, Marquis said.

Last week, the authority formally received three properties from the town for housing. The authority now owns a 10,000-square-foot lot on Ash Street next to the police station, a 47,000-square-foot parcel at Stone and Hobart Streets and 10,000 square feet on Fellows Street near Hunt Hospital.

A duplex holding two families would be situated at the Ash and Fellows Street parcels. The Stone and Hobart Streets building would hold two duplexes of four families.

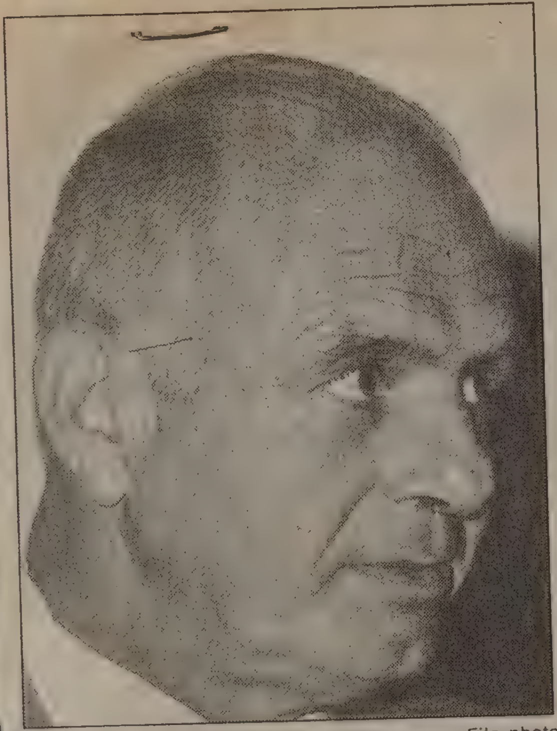
At one point, Danvers did have a fourth location — a parcel on North Putnam Street. The problem was that a site study by the state indicated that the land was contaminated, eliminating the property from consideration because of the potential cost involved in cleaning the land.

Marquis said the town dropped consideration of property at Holten and Pond Streets near a Danvers electric substation.

The problem with the property, Marquis said, was the difficulty of gaining access to the substation.

"It is not easy to find a site," Marquis said. "There is a very limited supply."

Town official looks south for better business ✓



File photo

Ipswich Board of Selectman Chairman Thomas Elliott is leaving the state because of its sagging economy.

By **KELLEY BOUCHARD**
Times staff

Bev Times 11/30

IPSWICH – Thomas Elliott has gone fishing.

The chairman of the Board of Selectmen headed south today for Florida, where he plans to start a charter fishing business and leave this state's floundering construction industry behind.

"I've enjoyed Ipswich," Elliott said. "I wish I didn't have to leave. This move is strictly based on the economy."

Elliott, 50, had dodged questions about his future plans until yesterday, when he confirmed the sale of his Little Neck Road home was final, resigned from the board effective today and will join his wife in Naples, Fla., this evening.

The four remaining selectmen are expected to discuss at Monday's meeting whether to hold a special election as soon as possible to fill Elliott's seat on the board or wait until the regular election in April.

Town Clerk Isobel Coulombe said she must be notified of an election no less than 57

Official, page A10

...0,000 maximum. S...
...maturity. Rate subject...
...usetts residents and pers...

...y to any one of Bever...
...ient offices and get this...
...ficate of Deposit.
...security of know...
...to $100,000.
...e offer.

cial leaves state behind

om page 1

t expected to take would place the earli- special election some- te January or February. man James Engel said he d having a special election se the board is expected to difficult budget decisions in e next few months – a situation at would benefit from having a full five-member board to prevent evenly-split votes.

A New York native, Elliott moved to Ipswich 21 years ago. He was a three-term member of the School Committee before being elected selectman in 1986. Last spring, Elliott was elected to a second three-year term and a second year as chairman.

A longtime building contractor, Elliott cited the dismal economic climate of the Commonwealth as his primary reason for seeking brighter business opportunities along the Gulf of Mexico.

"I hope not to be in the construction business any longer," said Elliott, who began working in the building industry when he was in high school. "My intent is to go fishing."

Elliott's wife, Judith, a former real estate agent for Vernon A. Martin Realtors, has been living and working in Naples for about a month already.

Located 30 miles south of Fort Meyers on the Gulf coast, Naples is known for having one of the fastest growing economies in the country, Elliott said.

"How long that will last, I don't know," Elliott said. "But it hasn't been easy for us here lately, when you consider both of our incomes were tied to the real estate market in one way or another."

Elliott lived on Topsfield Road before he built the Little Neck Road home and was forced to move because the bigger house wouldn't sell. Before yesterday's sale was finalized, Elliott's house was on the market for nearly a year.

"This is not something I really wanted to do," Elliott said. "I'm going to miss Ipswich. There's no doubt about it. You don't live in a community for more than 20 years and not regret leaving it. But given I have the opportunity now, without any real estate responsibilities to hold me here any longer, that same opportunity may not be available in a few years."

State's budget chief now puts deficit at $820m

11/30/89

By M.E. Malone
GLOBE STAFF

Boston Globe

Administration and Finance Secretary L. Edward Lashman yesterday acknowledged that estimates of the state's likely budget deficit have grown from $730 million to $820 million, at a time when the House and Senate are working on separate packages to whittle away the gap.

While House leaders yesterday unveiled a tax proposal that, if adopted, could raise more than $600 million before the end of the fiscal year in July, the Senate Ways and Means Committee held a public hearing on a savings package passed by the House earlier this month touted as being worth $368 million.

In testimony before the Senate panel, Lashman acknowledged that the estimate of the budget deficit has grown, in part because of a decision by the federal government to abandon its catastrophic health insurance plan for the elderly, leaving expenses to be picked up in part by the state's Medicaid account.

Before the same committee, Senate President William Bulger (D-South Boston) made a rare appearance to testify and to bolster his troops for the weeks ahead, which are sure to include difficult decisions on taxes.

"We have to face some very, very harsh realities," Bulger said, adding that the senators must make decisions they feel are right, even if that means making unpopular decisions.

He promised to back his chamber's Ways and Means Committee and said that "somewhere in between" the call for no new taxes and a desire to avoid cutting any state services "lies the answer."

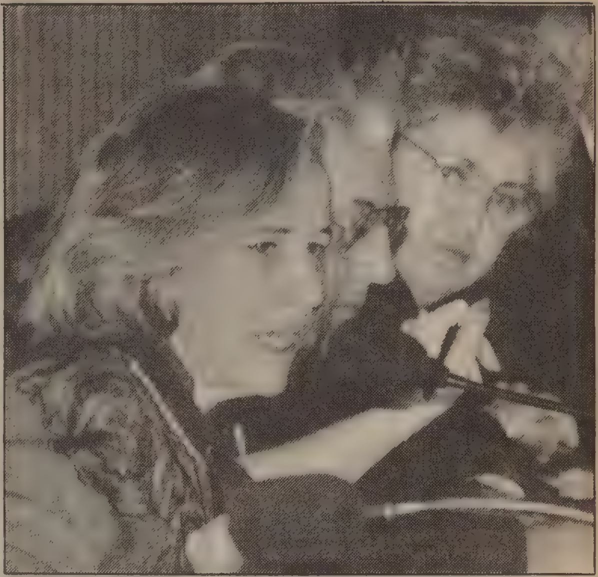
Lashman, who had no specific comments on the House tax package but has stated the need for new revenues for several months, told the Senate committee members they must find between $300 million and $350 million in savings in order to help balance the budget.

When the $368 million package of cuts was passed by the House earlier this month, the administration and Senate privately criticized it as actually being worth less than $300 million. Yesterday, Lashman and Sen. Patricia McGovern (D-Lawrence), Ways and Means chairwoman, were reluctant to put a price tag on the House package, while repeating their $350 million target.

McGovern said her committee is comparing the proposed savings in the House package with cuts proposed by Gov. Dukakis to ensure that the savings can be achieved before the end of the fiscal year and that there is no overlap in what the House has proposed and what the governor's Cabinet secretaries have already cut.

In addition, there were some indications the Senate Ways and Means Committee may restore some cuts included in the House package, including for the judiciary. Supreme Judicial Court Chief Justice Paul Liacos made a plea before the committee for restoration of funds that he said would cripple the state's court system.

According to Lashman, the state must resolve the gap between revenues and spending by mid-December or face another downgrade of its credit rating on Wall Street. Earlier this month, Moody's Investors Service gave Massachusetts a bond rating that, along with Louisiana's, is the lowest in the nation. Lashman said that representatives from Standard and Poor's rating service indicated they will follow suit before the state goes to the bond market next month if progress is not forthcoming.



AP PHOTO

Senate Ways and Means chairwoman Patricia McGovern presides over yesterday's State House hearing on the House deficit bill. With her are Sens. Robert Wetmore and Mary L. Padula.

By next Sept., 33 new units of elderly housing ready

By T.R. Wadsworth

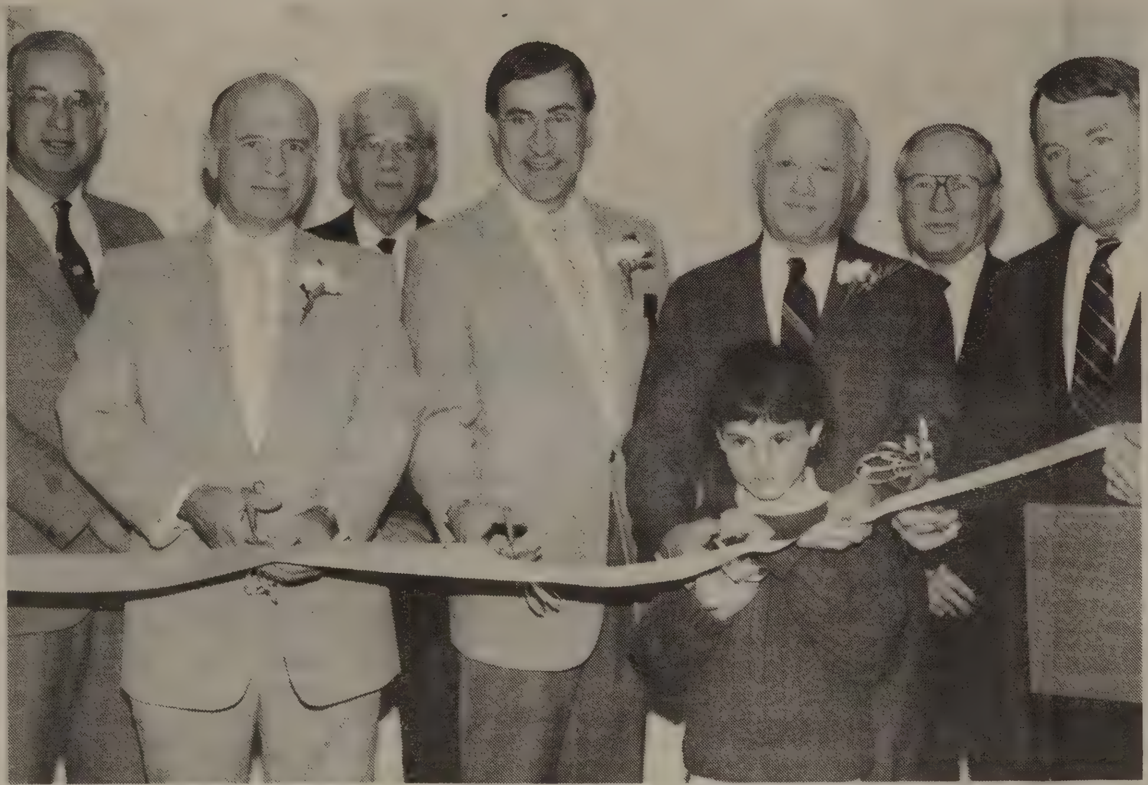
It is estimated that 10 to 15 percent of the elderly people in nursing homes are there because no appropriate facilities are available to them, according to Rev. Merle Pimentel of the Immanuel Baptist Church. Oak Hill Inc. has set out to remedy this shortage in the Ipswich area.

He expects to have 33 units of new congregate housing for the elderly available for occupancy next September. The development is next to the church on Central Street.

In 1981, a small group in the church formed to discuss how they could provide some congregate housing facilities for the "frail elderly" who need more support than is available in a normal home setting, but who do not need the level of support provided by a nursing or convalescent home.

"We believed that congregate housing was the most needed form of elderly housing because it targets the frail elderly and provides a stage between totally independent living and institutional living. It helps them stay out of nursing homes," Pimentel said.

"We didn't know anything about how to go about the whole thing," Pimentel went on. "When we really got into it, we decided to broaden our membership and we formed Oak Hill Inc. Now our group includes not only people from the church but also others from the community and some from other towns like Hamilton, Wenham, Boxford and Essex.



At Cable, 70 units opened — Almost 200 people attended an open house and ribbon cutting at the Cable Gardens elderly housing complex. A deed was presented to the town for the sledding hill. Among the dignitaries were, from left, State. Rep. Tim Clark, Selectmen Chairman Thomas Elliott, U.S. Rep. Nicholas Mavroules, Town Manager George Howe, Harbor Corp. President Gerald Gouchberg and his grandson Jimmy, former House Speaker Thomas McGee and Beverly Hospital President Robert Fanning Jr.

(Photo by Meredith Fine)

"We got a lot of help from Jim Warner from Ipswich and from Health Care Management, a consulting firm from Lynnfield."

The group determined that a federal agency, the Farmers Home Administration, offered low-interest loans to non-profit agencies for elderly housing projects. After five years of negotiation, the group obtained a $2.5 million loan at 1 percent interest for 50 years under the FmHA 515 Program.

"We were lucky to have some good Washington connections who helped our negotiations along," said Pimentel.

They got help from Sen. John Kerry, Rep. Nicholas Mavroules, Republican party official Andrew Card and Vermont Sen. Patrick Leahy, who is chairman of the Senate Agriculture Committee.

"We were also lucky to own a piece of land up behind us where the old church stood many years ago," Pimentel said.

"Then we bought the big, old house next door that abutted our property. That was a five-unit apartment building that we continued to rent out until we were ready to go into the construction phase. That was an adventure, being a landlord," he joked.

The group engaged JSA Inc., a Portsmouth architectural firm that has built several elder housing projects.

"One of the big advantages of that firm is that two local men work there," Pimentel said. Those are James Warner, who was so helpful in the group's organization, and Giles van der Bogert, whose wife is the principal of Winthrop School.

They designed a single building that included the old five-unit house on Central Street. The old house was completely gutted and will contain five of the complex's 33 units.

Each of the units will have a living room, bedroom, kitchen with dining area and bathroom. There will also be large open areas for common use by the residents.

"Each of the apartments is a self-contained unit," explained Pimentel. "If the residents don't want to participate in the congregate facilities, they can live independently in their apartments.

"Congregate housing provides a support package for the residents. This includes one well-balanced meal a day, a weekly visit from the Bay Area Visiting Nurse Association and transportation.

"Another piece of good luck for us is that the Ipswich Council on Aging center is right across the street, and they have vans that pick up and drop off people right there.

"We'll have a full-time manager on the project, too, and that will address the social and cultural component. We'll provide support for the whole person. We want to keep their minds functioning and their lives active.

"We hope that there'll be a sense of community developed among the residents so that they'll be concerned for each other and make the whole residence more like home.

"So the residents can take advantage of any or all of the services offered as their needs change."

The rents for 24 of the 33 units will be subsidized by a Farmers Home Administration rent subsidy program. Eligibility for rent subsidies will be based on the federal guidelines published per-

Continued on Page 21

Hamilton woman reflects on first 10 years in business

By Eric Schwartz

In Griffin Pension Service's first decade, it has grown from a one-woman business operating out of Alice Griffin's living room to a firm employing 13 people with 500 business clients and almost $1 million in gross revenues.

With the firm celebrating its tenth anniverary this month, plans are being made for the next decade, including a transition for when Griffin, 52, will receive her own pension.

Griffin described her field as a mixture of everything from data processing, human relations and accounting.

"It's an interesting blend of a lot of disciplines," she said.

The firm basically takes care of administrating pension plans for businesses. It makes sure the plans for compliance with current tax laws, informs employees of the benefits accrued and monitors pension investments.

Griffin said businesses can do such work themselves but there are some real advantages to using a separate business administrator.

"Anyone may choose to do it in-house," she said. "The advantage is that the area of compliance is constantly evolving. It becomes an issue of how to train people to do the task because it isn't something that you do weekly. It's an isolated task. Also, there's an advantage to having an objective pension administrator that is separate from the employer."

One decade later — Alice Griffin stands in front of her office in the Willowdale. She started her business 10 years ago in her own home. (Photo by Eric Schwartz)

Griffin did not start out her professional career with an eye towards running her own pension service. After a stint with New England Telephone years ago, she left the workforce to raise three children. When her children had grown, Griffin went back to work, first in the office of Hamilton's treasurer and later for a third-party pension administrator.

It was while at this latter job in Newton that she decided to start her own business.

"One of the big motivations was the 80-mile commute every day," she said. "I decided that was something I could not look forward to for the rest of my working career. Now it's just a sea of cars and I'm in constant amazement about how people put up with it every day."

Griffin and her husband had come from Marblehead to Hamilton in 1964 because of the town's rural feel so relocating closer to work was not a favored option.

Once she decided to begin the business, Griffin said, a succession of six-day weeks and 12 hour days began. She would spend the day drumming up business, visiting various firms and explaining why they should her service. In the evening she would do the actual "homework" of working with the pension figures.

"I used the networking technique," she said. "At the beginning I was not familiar with the business community but I received assistance from some banking and business people, recognizing that we had a service to offer. They put us in touch with our early clients."

Another important backer, Griffin acknowledged, was her husband.

"My husband was very supportive," she said. "Quite candidly, the ability to invest and start this depended on having another income. That was a great luxury."

Finally, Griffin credited her employees as being crucial to her success.

"We've grown because of them," she said. "We've also provided an interesting job experience for professional people."

She noted that she was lucky to be starting the business when she did. To some extent she was able to capitalize on the business boom in the early 1980s and now Griffin said the business will benefit from the fact that the workforce is becoming older overall, with pensions gaining in importance.

Griffin said, however, that a number of obstacles had to be overcome in the process of getting her business established.

"The challenge is always revenue," she said. "We're an example of sweat equity. For years we've been investing and reinvesting everything in the business. Another challenge is working through the maze of electronic data processing. That was new territory for us and it continues to be new."

To assist her, Griffin said she obtained some business training from the Small Business Association of New England and the local Chamber of Commerce.

One challenge that Griffin said was not particularly significant was sexism.

"I think that anyone starting a business has a credibility issue to overcome," she said. "I never felt mine was any different because I'm a woman. To go out in the market without a performance record is always difficult. People look at the background of people to determine how they'll do."

Now that she has an established business running, Griffin is not resting on her success.

"Having begun this in my 40s, clearly I do need to have an exit strategy," she said. "That process has begun but I still have many years of work ahead of me."

The contemplated strategy is having her daughter, who works in the firm, take over the reins when Griffin retires. Her daughter has the married name of Roberts but that doesn't necessarily mean the end of Griffin Pension Service.

"I wouldn't mind if she still uses Griffin in the name," she said.

'The question is, can a hospital slow down nurses salaries and lay off people while the administration gets rich? The answer is . . . no.'

THOMAS P. FLANNERY, *management consultant*

11/30/89

Boston globe

Teaching hospital chiefs get top dollar

By Anthony Flint
CONTRIBUTING REPORTER

While Boston's top private teaching hospitals run up operating deficits, lay off staff and plead with the state for more assistance, they are paying their chief executives salary and benefit packages ranging from $240,000 to $355,000 a year, a review of tax records shows.

The rate of compensation is significantly higher than national averages for similar hospitals, which range from $150,000 to $250,000.

Health care officials say Boston salary packages are kept high by the area's prestige as a teaching-hospital mecca, rising health care costs, the complexity of the institutions and the ever-present potential for doctors and managers to make more money in private practice.

But a larger trend is also at issue. Many health care observers say the big salaries – juxtaposed with the layoffs and deficits – reflect how teaching hospitals have become more corporate in structure, yet are still struggling nonprofit operations at their core.

The Boston Globe reviewed tax documents filed with the Division of Public Charities in the attorney general's office by the city's leading private teaching hospitals – Children's, Brigham & Women's, Beth Israel, Massachusetts General, New England Deaconess, New England Medical Center and University Hospital.

As nonprofit institutions seeking tax-exempt status, the hospitals must file forms

HOSPITALS, Page 81

ling

Comm
head. T
astikas a
s on the tw
ompted
nts to hold a
a document
sponsor
and form two
iscrimination.

talk
'Ande
Talking
People
not, over one
audience w

---

hospital chiefs get alary, benefits packages

PITALS
ntinued from Page 49

that contain, among other things, the salaries of the five highest-paid employees.

Children's Hospital president David S. Weiner topped the list of area hospital presidents, collecting $887,531 in the 1988 fiscal year. John O. Wilhelm Jr., senior vice president for finance, received $475,621 in that same period.

However, John P. LaWare, chairman of Children's board of trustees, said those figures were inflated by a one-time cash-out of a deferred-compensation plan. Weiner normally is paid $323,000 a year, including benefits, and Wilhelm is paid $191,465.

Beth Israel president Mitchell T. Rabkin was paid $355,000 in total compensation in the 1988 fiscal year. Laurens MacLure, president of New England Deaconess, collected $250,305; University Hospital president L. Scott Abercrombie received $239,486; and H. Richard Nesson, president of Brigham & Women's, collected $240,761.

The salary and benefit packages of J. Robert Buchanan, president of Massachusetts General Hospital, and Jerome H. Grossman, president of New England Medical Center, were not available through the tax documents because those institutions pay their chief executives through several affiliated organizations, which conceals the total salary.

Massachusetts General spokesman Martin Bander would not disclose Buchanan's salary but said it was not as high as Weiner's or Rabkin's. New England Medical Center also refused to disclose Grossman's salary, even though Richard C. Allen of the Division of Public Charities said the center had filled out its tax forms incorrectly.

Comparatively high

The salary and benefit packages at Boston's private teaching hospitals are high compared to pay at public institutions; Health and Hospitals Commissioner Judith Kurland, who is in charge of Boston City Hospital, Long Island Hospital and Mattapan Hospital, is paid $85,000. Leonard Laster, chancellor of the University of Massachusetts Medical Center at Worcester, is paid $116,000.

The salaries are also higher than those paid to the presidents of Boston's research universities, which in many respects are comparable nonprofit institutions. Harvard University's Derek Bok receives $138,027, for example, excluding benefits.

> **'But we can't deliver these health services ... unless we have highly professional people to do it.'**
>
> JOHN P. LaWARE
> *Chairman of Children's board*

Perhaps most important, the compensation rates are high compared to national averages for similar hospitals. According to a recent survey by the American Hospital Association, the base salary for chief executives at large multifacility hospitals ranged from $150,000 to $200,000. Those are hospitals with more than 2,200 employees.

The average pay for teaching hospitals nationwide is in the vicinity of $250,000, said Thomas P. Flannery of Hay Management Consultants of St. Louis, a research group that did a survey of hospital pay with Modern Health Care magazine earlier this year.

"The question is, can a hospital slow down nurses salaries and lay off people while the administration gets rich? The answer is clearly no. And I've seen that happen," Flannery said, although he added that most hospital executives face extraordinary challenges and are worth their pay.

Cost cutting and layoffs

Most hospitals in the Globe review have been belt-tightening while maintaining high pay at top levels. Children's, for example, is forecasting a deficit in its patient-care budget, recently laid off 30 employees and has lobbied for greater assistance from the state.

Massachusetts General said it would lay off 188 people earlier this year, citing a $5.8 million operating deficit. Other hospitals in the Globe review also either put a cap on hiring or eliminated programs.

Although some hospitals in the review, such as Children's, are profitable, most hospitals are getting squeezed by rising health-care delivery costs and slowdowns in state and federal Medicaid and Medicare reimbursements.

Despite these problems, hospital officials say they must keep presidents' pay high. "This is an extremely sophisticated and complex organization, and we can't get the kinds of managers we need ... without paying competitive salaries," said LaWare, the Children's trustee.

The situation shows how teaching hospitals are caught between two worlds, said Joseph D. Restuccia, associate professor of health and operations management at Boston University.

The business of hospitals

In the last decade, the hospital world has restructured itself on the corporate model, Restuccia said, and the hospitals have become major business operations with annual revenues of hundreds of millions of dollars. Many have spun off for-profit entities, such as real estate concerns, that orbit around the nonprofit core.

The image of the large, private teaching hospital as a charitable institution "is to a large extent a myth now," Restuccia said, but the public still holds them to the standards of nonprofit organizations.

"It puts them between a rock and hard place," Restuccia said. "In many ways these institutions have changed more rapidly than their images have."

"The real world of business and the perceived world of a quasi-charitable operations does seem to be contradictory," said LaWare. "But we can't deliver these health services and manage these huge flows of funds, or the endowment ... unless we have highly professional people to do it."

Teaching hospital salaries

What presidents of Boston's private teaching hospitals were paid last year*.

David S. Weiner, The Children's Hospital	$887,531
Mitchell T. Rabkin, Beth Israel	$355,000
Laurens MacLure, New England Deaconess	$250,305
H. Richard Nesson, Brigham & Women's	$240,761
L. Scott Abercrombie, University Hospital	$239,486
J. Robert Buchanan, Mass General	NA
Jerome H. Grossman, New England Medical Center	NA

* Figures include benefits
NA – not available

SOURCE: Federal Tax Form 990 for 1988 fiscal year, filed in the Attorney General's Office. Division of Public Charities.

Globe staff chart

√Hospital presidents well-compensated

Daily Evening Item 11/30

BOSTON— The chief executives of Boston's leading, private teaching hospitals reportedly are paid more than their counterparts around the country while some of their hospitals are laying off staff and seeking more state aid.

They get up to $355,000 a year in salary and benefits, according to tax records. Average pay for top officials at teaching hospitals nationally is about $250,000.

David S. Weiner, president of Children's Hospital, received $887,531 during the 1988 fiscal year to top the list of Boston hospital presidents. John O. Wilhelm Jr., senior vice president for finance of the same hospital, got $475,621.

Beth Israel President Mitchell T. Rabkin got $355,000 in total compensation for the year; New England Deaconess President Laurens MacLure got $250,305; University Hospital President L. Scott Abercrombie received $239,486; and Brigham & Women's Hospital President H. Richard Nesson received $240,761.

Payments to Massachusetts General Hosptial President J. Robert Buchanan and New England Medical Center President Jerome H. Grossman were not available because they are paid through affiliated organizations.

Leonard Laster, chancellor of the University of Massachusetts Medical Center at Worcester, is paid $116,000, and Boston Health and Hospitals Commissioner Judith Kurland, who is in charge of Boston City Hospital, Long Island Hospital and Mattapan Hospital, is paid $85,000.

Tax hike proposals go to House floor

Bev Times 11/30

Voter anger overflows at forum

By KAREN DiCONZA
Times staff

BEVERLY – The vast majority of the standing-room-only crowd that crammed a forum in City Hall last night voiced strong opposition to any increase in taxes.

At times, some of the estimated 200 people became so belligerent – chiding and interrupting one another – that state Rep. Frances Alexander threatened to call an end to the meeting.

Alexander, the Beverly Democrat, called the forum to hear what her constituents have to say about the $1.2 billion tax package adopted yesterday by the House Ways and Means Committee.

Alexander and other legislators consider the package today. If passed, the tax package – which includes a 50 percent increase in the tax on capital gains, a 40 percent hike in the sales tax, and a 10-cent increase in the gasoline tax over two years – would be part of the solution to the state's budget shortfall.

Only about a dozen of the 70 residents who voiced their opinions during the three-hour meeting spoke in favor of increasing taxes, while the others blasted the proposal.

"I don't mind taxes, but this is enough to give you a heart attack," said Richard Petrykowski, drawing loud applause from the crowd. "They're going to drive the business out of the state. A blind man can see that."

Most of the people supporting the tax hike were human service professionals who said they were concerned that services for the people like the elderly, mentally retarded, and handicapped would be cut without increased taxes.

Forum, page A12

Mark Tetrault photo

Mike Jennings of Beverly stands in a full City Hall forum last night to speak out against any tax increase. The forum was called by state Rep. Frances Alexander.

Opponents fear damage to economy

By KEVIN GALVIN
Associated Press

BOSTON – The House Ways and Means Committee sent a $1.2 billion annual revenue package to the floor for debate while tax foes alleged deficit estimates had been inflated and that the proposal would stymie economic growth.

The package included increased sales, gasoline and capital gains taxes and placed utilities under the sales tax.

It would allow up to 10 percent of the gas tax revenue to be dedicated directly to construction of Boston's underground Central Artery and a third Boston Harbor tunnel.

The proposal is the Legislature's latest step to deal with the state's budget deficit, which a Ways and Means Committee staffer said has swelled to $825 million.

It was attached to a $45 million spending package that would restore funds to the higher education and human services budgets.

The House is scheduled to begin debate on the package today, and House leaders say they hope to send it to the Senate by the end of the week.

Under the tax package:

- The sales tax would increase from five cents to seven cents on the dollar, raising $390 million this fiscal year and $780 million

Tax plan, page A12

PROPOSED NEW TAXES

The House Ways and Means tax package at a glance

- The sales tax would increase from 5 cents to 7 cents on the dollar, raising $390 million this fiscal year and $780 million in the next.
- The gasoline tax would increase from the current 11 cents to 17 cents in fiscal 1990 to raise $81 million. It would be increased to 21 cents the following year to raise an estimated $216 million.
- The capital gains tax would be increased to 7.5 percent, retroactively, raising $100 million annually
- The state will collecting the unclaimed bottle deposits to generate $12 million in fiscal 1990 and $24 million in 1991.
- Fifteen percent of cigarette tax revenue would be diverted from the transportation budget to the general fund to offset the deficit.

Clark says even more new taxes may be needed next year

By DONALD BRICHTA
Ottaway News Service

BOSTON – State Rep. Forrester A. "Tim" Clark Jr. says even the record $1.2 billion tax package proposed Wednesday might not be enough to cover the $825 billion state deficit.

Clark, a Hamilton Republican and member of the House Ways and Means Committee, said he questioned whether the higher taxes will bring in as much money as claimed.

"I do not trust these revenue figures," Clark said during a Ways and Means Committee meeting. "We will have another tax in June or July."

Committee staff members, working with figures provided by the Dukakis administration, said a 2 percent increase in the sales tax would raise $390 million in the six months of the current fiscal year and $780 million in the next fiscal year that begins July 1.

They also said increasing the capital gains tax from 5 to 7.5 percent retroactive to Jan. 1, 1989, would bring in $100 million this year and next.

Richard Lord, the committee budget director, said the committee used conservative estimates in projecting revenue. He said earlier this year the committee was projecting $410 million to $420 million for a penny increase in the sales tax, but recent reports of weak sales tax revenue prompted a revised figure.

Similarly, original estimates were that increasing the capital gains tax to 10 percent would bring in $265 million. Even though the committee cut the tax hike in half, it projected revenues of far less in case people postpone cashing in investments such as stocks or real estate.

"I am confident our estimate is reasonable or at least on the low side," Lord said.

Clark was not convinced by the explanation. He said he opposes the higher taxes and that further cuts should be made in the state budget.

ax plan goes to House floor

Continued from page 1

in the next.

- The gasoline tax would increase from the current 11 cents to 17 cents in fiscal 1990 to raise $81 million. It would be increased to 21 cents the following year to raise an estimated $216 million.
- The capital gains tax would be increased to 7.5 percent, retroactively, raising $100 million annually.
- The state will collecting the unclaimed bottle deposits to generate $12 million in fiscal 1990 and $24 million in 1991.
- Fifteen percent of cigarette tax revenue would be diverted from the transportation budget to the general fund to offset the deficit.

The new taxes immediately drew fire from both legislators and the public.

Barbara Anderson, head of Citizens for Limited Taxation, said the proposal could be negated by an initiative petition to roll back taxes adopted in the past 12 to 18 months. The CLT petition is to appear on the 1990 ballot.

John Gould, head of Associated Industries of Massachusetts, said the increase in the capital gains tax would stifle economic growth.

"We are going to . . . hurt our image and make ourselves less attractive to investors from outside the state," Gould said. "We're going to fight capital gains and the tax on utilities. Those are going to hurt the economy."

"This bill imposes the most regressive kind of a tax, hitting hardest those in Massachusetts who can least afford it," charged Edward E. Mulligan, head of Massachusetts Electric Co.

Rep. John McDonough, D-Boston, spoke up for new taxes before the vote, saying it was time the Legislature and the administration correct spending errors that were based on overly ambitious revenue estimates.

"At what point do we face up to the fact that we were all wrong about the deficit?" McDonough asked the committee.

The package was developed by the House leadership and Speaker George Keverian backed it up with a message to several committee chairmen that if they could not support it they should resign their posts.

Rep. Robert Cerasoli, D-Quincy, resigned Tuesday as House chairman of the Post Audit and Oversight Committee rather than support the plan.

The strength of support for the bill was unclear as nearly half the committee Wednesday spoke out against parts of it. It was approved on a voice vote and many representatives said they were still undecided.

The savings and tax measures are designed to correct the state's budget deficit which, the Ways and Means Committee's top budget aide said, likely has swelled from $721 million to $825 million.

The latest increase was attributed to Congress's action last week placing more of the Medicaid burden on states and anticipated deficiencies in state revenue.

But Rep. Steven Pierce, R-Westfield, the minority leader, said the Democratic leadership's deficit estimates are designed to promote taxes. He estimated the deficit is less than $500 million, and said neither the Revenue Advisory Board nor the Democrats had proven their figures.

"What (the Democratic leadership is) about is twisting arms and getting that tax bill through here as quickly as possible," he said.

Currently, 85 percent of the gas tax is dedicated to road and bridge work and the remainder goes to the general fund to offset the deficit.

The proposal sent to the House Wednesday would allocate 10 percent of the gas tax revenue to the Central Artery/Third Harbor Tunnel project, 15 percent to the general fund and 75 percent to other road and bridge work.

The $45 million "survival package" restored $10 million to the higher education budget; $7.2 million for mental health services; $4 million for home care services; and $3.3 million to the state's Turning 22 program.

House sources said the spending was in part designed to gain votes for the tax package.

Rep. Lucille Hicks, R-Wayland, questioned whether the $10 million for education would go to learning or administration.

"I really want to know what that $10 million is going to go to – teaching children (or) some amorphous administrator that does who knows what?" she said.

In fiscal 1990, including the cigarette tax diversion and the bottle deposits, the total package would yield an estimated $626 million because the fiscal year is nearly half over. In fiscal 1991 and thereafter it would raise $1.206 billion.

• Forum

Continued from page 1

When Marc Potvin stood and said he supported the tax package as a way to ensure the needy would be serviced, another man shouted, "Let them go somewhere else!" The room then erupted with loud murmurings and snickers.

Alexander immediately stood, repeatedly banged her gavel on the desk in front of her and said, raising her voice, "If I can't control the meeting, I will have the hall cleared. I will not tolerate any rudeness to anyone who is speaking here." Alexander had to quiet the crowd several times.

After the meeting, Alexander said she was not sure whether she would vote in favor of the tax proposal.

"I've got to digest all of this information," she said, adding that she was very surprised to see such a large turnout. Because there were not enough seats for everyone, many people stood in the back of the room and in the hallway, and others sat on the floor.

Wayne Hanson was one of the many Beverly residents who spoke against the proposed tax increase.

"I say no taxes. We have been taxed up to here," he said, holding his hand up to the top of his head. "Taxing isn't the problem. It's the people in the Statehouse that spend the money foolishly."

Phil Dunkelbarger agreed.

"We're not talking about cutting taxes here. We're talking about holding the line," he said.

Al Edwards said, "I'm paying through the nose and I can't even afford to die to get out of this mess."

However, both Donna Prescott and Michael Duda spoke in favor of the proposal.

Prescott, a young mother who was homeless six months ago, said only through the help of social services was she able to get a job and find a home.

"There are a lot of us that are really trying and need this help," she said, stressing that she is afraid such programs will be cut without increased taxes.

Duda, who runs the Anchorage House for troubled teen-agers, agreed.

"When we neglect those who are in need . . . you either pay now or you pay later," he said.

Town increases elderly housing

10/7

Bev Times

By DAVID SCOTT
Times staff

IPSWICH – It is customary in China for the elderly residents of the community to be highly regarded and admired. Now Ipswich is expressing similar respect and gratitude.

With the Dec. 1 opening of Cable Gardens, in the converted Cable Memorial Hospital at the junction of Routes 1A and 133, and construction under way at the proposed Oak Hill elderly housing facility on Central Street, the town will presumedly have more than 100 units available by the end of next year.

"I think there's a definite need for elderly housing on the North Shore," said Linda Cragin, director of geriatric services at Beverly Hospital. "Ipswich has stepped forward and answered that need."

Both of the complexes are formed under the congregate housing concept. An idea that Cragin said was introduced by the federal government in the early 1970s.

Through congregate housing the occupants are allowed to have as much independence as they wish, while at the same time being offered services such as a meal a day, visits from the Bay Area Visiting Nurses Association and social activities coordinated by staff members.

Each unit is fully equipped with kitchen facilities. In addition there are special offerings such as health maintenance clinics or van transportation.

Cable Gardens, not yet fully opened, has a total of 70 units, 28 of which are subsidized under the control of the Ipswich Housing Authority. Oak Hill will have 33 units upon the targeted completion date of next September, 24 of which will be subsidized by the FHA rent subsidy program.

The subsidized units in Cable Gardens will have Ipswich priority, meaning that residents were given first choice, said Cragin. Oak Hillunits will be first come first, first serve, according to the Rev. Merel Pimenetel, a member of the elderly housing advocacy group that helped solicit funds for the project.

Cragin said there are currently about 30 residents already occupying the units in the almost $7 million Cable Gardens complex and that all of the subsidized units have been taken.

She said that approximately 15 "open-market" units remain available and range in price from $735 to $1,195.

Cable Gardens will be completely opened by the end of the month.

Pimenetel of the Immanuel Baptist Church, said the advocacy group called Oak Hill Inc. was formed in 1981 to try to establish congregate housing.

The group then decided to contact a federal agency, the Farmers Home Administration. The organization offers low-interest loans to non-profit organizations for elderly housing projects.

After five years of waiting the group obtained its funding, some $2.5 million, at 1 percent interest for 50 years.

"It's been like pulling teeth but it's good to see it happen," said Pimentel.

Pimentel said that applications won't be accepted until four months before the scheduled completion of the project. He said he has had close to 20 inquiries thus far.

Pimentel added that it was the first such project the FHA has funded and the funding is "real tight." In light of this, Pimentel anticipates needing to raise close to $100,000.

Oak Hill . . .

Co[illegible]d from Page 3

iodically by the Department of Housing and Urban Development.

The remaining nine units will rent at market rates. Pimentel said that he expects the market rents to be around $650 per month including all utilities.

The church is in the process of compiling a list of people who have asked for an application to rent the units when they are completed. The applications will be sent out to eligible applicants in three to four months. Interested parties should contact the Immanuel Baptist Church for more information.

There is no town residency requirement for applicants. The minimum age is 62 years.

Pimentel said that Oak Hill will form a committee to screen applicants. The committee will include medical and social workers who will determine whether the applicants are in good enough health to live in the congregate housing setting.

"Construction has been right on schedule up until this week when half of our roof trusses got stuck in a snowstorm in Maine," said Pimentel. He still expects the project to be ready by next September.

"We've had absolutely 100 percent support from everyone in town," he said. "We had to go up before the Planning Board and the Zoning Board of Appeals, and they just zipped us through.

"We've had no objections from anyone, even when we had to blast the ledge on the hill behind us.

"The blasting might have loosened a pipe or two on the organ; but other than that, everything's gone marvelously," Pimentel concluded.

Salem News 12/1/89

Doors to open at Cable Gardens

A News staff report

IPSWICH — The 70-unit elderly housing development Cable Gardens is nearing completion, with some tenants expected to begin moving in this weekend.

The condominium housing project, a joint venture between Beverly Hospital and Harbor Development Company of Lynn, was built upon the former Cable Memorial Hospital, which was sold to Beverly Hospital several years ago.

Although Beverly Hospital still maintains an emergency service in the adjacent Cable Professional Building at the intersection of Routes 1A and 133, it sought for several years to find a compatible use for the old hospital building.

A federal grant was secured with the help of the town. The mortgage is assisted by the Massachusetts Housing Finance Agency. The state's Executive Office of Communities and Development subsidizes the rent for 28 units under the control of the Ipswich Housing Authority.

Rents for the 42 open-market units ranges from $735 to $1,195, depending on the number of bedrooms and location within the facility. There are 40 one-bedroom units and 30 two-bedroom units. The rent includes heat and hot water.

Although work is not completed in the older section of the project (renovation of the old hospital building), most of the units have already been leased, said Linda J. Cragin, director of geriatric services at Beverly Hospital.

She said there were only about 15 units of the 42 non-subsidized units which have not been leased.

Cragin said she is excited about the project, adding that Cable Gardens is aimed at helping the "frailer, older population."

"It's really unique. We have a lot of support services," she said.

A noon-time meal will be served and the Bay Area Visiting Nurse Association will provide a "wellness clinic" and on-call nursing service around the clock.

One unique feature will be an inter-generational day care program, she said.

There will be one program, in the Spectrum Center, geared for older persons who need more support, in the community.

"A lot of older people are isolated in their homes," she said.

The center will provide exercises, games and other activities for them during the day, Cragin said. "This will start in January, with assistance from Senior Home Care Services."

There will also be a Garden pre-schol program for toddlers and pre-school children, running from approxiomately 6-6:30 a.m. to 6-6:30 p.m. daily during the week. There will be arts and crafts and a curriculum for them.

There will also be an inter-action between the two groups, the elderly and the young, she said. Roughly 200 persons were in attendance at an official ribbon-cutting ceremony Monday, she noted.

It's good, she added, that a building (Cable Hospital) which has been so important to the community in the past can be returned to the community. And the children living in the immediate area won't lose the "sledding hill" in front of the hospital, said Cragin.

That area was given back to the town.

11/30 Danvers Herald

Hunt in black for first quarter, but long-range outlook is gray

By Betsy Johnson

Hunt Hospital's finances are looking up for the first third of the current fiscal year, but hospital officials say they do not expect that trend to continue, nor do they think it means anything substantive in the long run.

Because of two long-awaited Medicare payments from the state, the hospital's coffers are showing a cash surplus of $855,546 as of Oct. 31.

But since that date the hospital has seen its cash revenues begin to drop as insurance companies have slowed down their payments to the hospital as the end of the calendar year nears, according to Michael Morris, the hospital's director of fiscal affairs.

"I do not expect to continue (to run a cash surplus) by the end of the fiscal year," said hospital Administrator David Stansberry.

"But I do hope to break even (on a cash basis)."

While the hospital, which has had mounting financial problems, is pleased with the surplus, officials there recognize the difference between an occasional positive cash position and a chronically negative accrued position.

As of Sept. 30, the facility had an accrued deficit of $532,122, Morris said. And Stansberry said he has no expectation the hospital's overall finances — examined on an accrued basis — will not be in the red by the end of this fiscal year.

Looking at an institution's finances simply on the basis of cash only determines what the end result of numerous receipts and disbursements of cash has left it with, Morris said.

To get a meaningful picture of the hospital's true financial position it is important to look at not only cash receipts and outlays, but prepayments, inventories, financial commitments, accounts payable and so forth, he said.

The hospital staff and town officials must develop a "correction plan," Morris said, to deal with the spiraling accrued deficit. That will mean rethinking how to attract a greater number of patients and how to treat them effectively within the time-limits proscribed by the insurance companies.

Presently, patients are staying at the hospital an overall average of 7.5 days. The hospital's administrative staff would like to see the length of stay average only 7 days, keeping it more in line with industry regulations.

In addition, Morris said, hospital officials would like to see an 80 percent occupancy rate of its medical-surgical wards. That rate is now at 77.2 percent.

DANVERS

12/1/89 Bev Times

Hunt Memorial Hospital groups boost fund-raising activities

By PAM DERRINGER
Times staff

DANVERS – Faced with tough fiscal times, Hunt Memorial Hospital is beefing up its fund-raising activities.

Hunt Trustee Phyllis Kelley told trustees last week that the Hunt Hospital Aid Association has changed its name and its focus in order to attract more members and increase its fund-raising potential.

The Aid Association, a women's organization that was formed to provide health care in 1927, became the gender-neutral Friends of the Hunt Hospital Association Inc. effective Oct. 30.

Association President Anne Jefferson said the goal of the changeover is to encourage a major expansion of membership, which now numbers nearly 300, in order to broaden town support for the hospital.

"The main concept is to give as much support to keeping a hospital in town," Jefferson said.

The health care situation is precarious, and the association needs to rally friends and supporters to preserve the place where townspeople come for health care – or it won't be there, she said.

"We want to the whole town to join," and expect to launch a major letter-writing campaign to enlist new members, she said.

With a broader membership base, the association will have more people available to undertake additional fund-raising activities, Jefferson added.

The association has raised nearly $1 million over the last 20 years, for new equipment, such as its first Ultrasound and CT scan machines and air conditioning, said Jefferson.

Although they vary widely from year to year, the Aid's donations typically average about $75,000 a year, said Kelley.

Two years ago, the Aid's annual golf tournament was broadened to include men. As a result, the number of players rose from 35 to 100 and the proceeds from $4,500 to $16,000, she said.

The association's other fund-raising activities include Saturday night bingo games and operating the hospital gift shop, she said.

Hospital Administrator David Stansberry said the Hunt Foundation for Health, a private, non-profit fund-raising organization for the hospital, also is exploring new ways of generating revenues. The Foundation's plans are not yet finalized, he said.

Residents interested in joining the Friends of the Hospital may call membership co-chairman Rita Stevens at 774-7666.

Dukakis lawsuit hearing set

11/30

Daily Evening Item

BOSTON (AP) — The state Supreme Court plans to hear a lawsuit filed against the Dukakis administration by the governor's home town, seeking to restore $210 million in local aid withheld because of the state's fiscal crunch.

The suit was filed in August by selectmen and members of the school committee in Brookline, where Gov. Michael S. Dukakis grew up and still lives. More than 140 cities and towns across the state, including Newton, Amherst, Arlington, Northfield, Salem and Gloucester, have since joined the suit.

Speaker George Keverian directed the House Counsel Monday to file a friend of the court brief in support of the lawsuit.

Keverian issued a statement supporting the town's argument that Dukakis did not have the authority to conditionally veto certain local aid items during the 10 days he had to review the budget.

Keverian's brief charges that the governor should not have withheld funds after the Legislature overrode conditional vetoes.

Brookline officials filed the suit Aug. 2. Their action occurred shortly after state lawmakers adopted the fiscal 1990 budget in which they set aside $1.2 billion in aid to schools, the same amount as the previous year.

Dukakis reduced the amount by $210 million by partial veto, prompting the suit in Suffolk Superior Court.

The cut in aid resulted in the elimination or reduction of 8,000 teachers around the state, according to Brookline town counsel David Turner.

The suit also charges that the cuts were unfairly weighted toward certain cities and towns at the expense of others.

Turner said that small and medium cities and towns, particularly in the central and western parts of the state, received less money for public schools.

"We think the money should be restored and the allocation that the legislature specifically provided for should be upheld," said Turner. "Those sums should be distributed in those areas that had been provided for."

Hunt doctors seek protection against non-malpractice suits

11/30

Low-risk factor makes finding coverage difficult

Danvers Herald

By Betsy Johnson

Physicians at Hunt Hospital who want to be covered by insurance if they are sued for reasons other than malpractice may have to wait a little longer.

Hospital officials have been in contact with Hastings-Tapley Insurance Co. for five months, trying to locate a company that issues this kind of non-clinical insurance.

But because the hospital is part of a municipal organization, its physicians are covered in part by a state statute that prevents them from being sued for more than $100,000, unless it can be demonstrated they did not act in "good faith."

For this reason, the doctors are in a low risk pool for which actuarial figures have not been calculated, hospital Administrator David Stansberry said, making it difficult to negotiate a policy.

The problem with the statutory limit for physicians is the possibility that some employees of municipal organizations may be accused of not having acted in good faith when they made a decision, according to Stansberry. The first thing a prosecuting attorney will try to do is prove is that the defendant did not act in good faith, the administrator explained.

When this happens, the suit becomes "personal" and the doctor is on his or her own financially. In that case, neither the hospital nor the municipality is responsible for any damages or legal costs.

To the doctors, this consitutes an untenable personal financial risk, Stansberry said.

All doctors are covered by private malpractice insurance, but many doctors, as part of the privilege of belonging to the hospital group, are members of peer review committees and other administrative bodies within the hospital system where they perform duties that are not clinical and not covered under their malpractice insurance.

Making decisions that sometimes make others unhappy in an already litigious society sometimes prompts lawsuits, Stansberry said.

A legal suit of this kind occurred about four years ago in California, where surgeons of a hospital who denied another surgeon the privilege to practice at that hospital were sued by the rejected surgeon. His attorney was able to prove the doctors denying the application had a conflict of interest and were not acting in good faith.

Hunt Chief of Staff Dr. Dougald C. MacGillivray said no doctor at Hunt has ever lost such a suit, but there have been instances when suits have been filed against Hunt physicians.

Should a doctor be sued for malpractice, it is possible that the doctors who approved his credentials at the institution could be sued as well, another example of how administrative decisions can be the basis for lawsuits, MacGillivray said.

"Physicians want to be 100 percent sure that in the event someone brings a suit against them, they have security," Stansberry said.

While the cost of the coverage has not yet been established, Stansberry said he would expect the additional insurance to cover up to $3 million of a physician's legal expenses should he or she be sued.

That figure reflects the average settlement of these types of suits, Stansberry said.

"We want to be sure everybody here is confident that they are totally protected," he said.

"We hope we never have a lawsuit here, but in the event that we do, we'll be ready."

Mark Tetrault photo

Holiday decorations

Bev Times
12/1/89

Members of the Essex County Garden Club will have their homemade wreaths among the wares to be sold at today's "Holiday Happening" Christmas fair in the Beverly Hospital Auditorium, sponsored by the Beverly Hospital Aid Association. The sale will run until 4 p.m. today. Looking over the wreaths are, from left, Sarah Merck and Sara Frye, co-chairmen of the holiday sale, Susan Coffin of the Beverly Hospital Aid Association and Mary Lou Dana, president of the Essex County Garden Club.

Medical staff saved daughter 12/1
Bev Times

On Halloween night, a tragic car accident happened that should not have happened because of someone driving under the influence, leaving three innocent teenagers fighting for their lives. These children are still not out of the woods yet. The pain and the suffering the families have gone through is just too much for any parent to go through.

But, they would not even be alive today, if it wasn't for the quick thinking of the Beverly police and the Lifeline paramedic, who brought our daughter back to life.

Many thanks for the prompt medical attention at Beverly Hospital, emergency room staff, who worked around the clock, with these children.

To all the dedicated nurses and doctors on the intensive care floor and the pediatrics floor.

I truly thank you for your patience, and understanding, and the excellent medical care you gave.

Thank you for giving our daughter back to us.

Judy P. Messina
Hamilton

With gratitude to helpers

In honor of National Home Care Week, I would like to publicly thank all of the employees, members of the board and volunteers of the Bay Area Visiting Nurse Association for their dedication, hard work and commitment. These people have devoted much time and energy to meeting the home-care needs of people of all ages on the North Shore.

Nurses, therapists, social workers and home health aides do not perform their tasks alone. In a large percentage of families that receive home care, there is a son, daughter, aunt, or mother who is the primary caregiver. These selfless individuals also deserve much credit for their dedication and hard work. Without these primary caregivers, many people could not be cared for at home. The Bay Area Visiting Nurse Association, as a team organization, works with the patient, family, and physician to provide the necessary health care and support to facilitate patient recovery or to continued long term care at home.

At this special time of year, let us all pause to express our gratitude for all of those who provide care at home and for the opportunity to help people stay at home whenever and wherever possible.

Judith Thomson
Executive Director
Bay Area Visiting Nurse Association, Inc.
Beverly

Ad notes
Boston Globe 12/1

THE HARVARD COMMUNITY Health Plan, no stranger to advertising flaps (a false advertising suit filed against HCHP by Blue Cross-Blue Shield is now awaiting trial), stubbed its toe in a recent

Harvard Community
Health Plan

campaign hyping today's opening of a new clinic in Somerville's Davis Square. In what it thought was a joke, HCHP's ad agency, ClarkeGowardFittsMatson, ran newspaper and radio ads announcing that "Barneys" – a derogatory term for non-Somerville residents – would be welcome at its new facility. HCHP spokesman Alan Raymond said the health maintenance organization received about a dozen calls from offended residents, who called the term a "divisive element" in the town. The campaign was immediately canceled.

Nurses thank clinic volunteers 11/30
Ips. Chronicle

To the editor:

Bay Area Visiting Nurse Association wishes to thank all the volunteers who participated in our flu clinics this fall. Their expertise was greatly appreciated. We would also like to offer a special thanks to the physicians for their time and effort.

In addition, we would like to remind anyone who missed the series of fall clinics that the flu vaccine is still available at the Bay Area VNA office at 30 Tozer Road, Beverly.

If you are interested in receiving a flu shot, please call 922-8525 for an appointment.

Betty Belcher
Bay Area VNA

High school will sponsor stop-smoking fair Monday

Bev Times 12/1/89

BEVERLY – Beverly Hospital will sponsor a stop-smoking fair Monday at Beverly High School in an attempt to persuade students to drop the habit or never pick it up.

The fair was scheduled after members of the high school's Student Advisory Council complained last month to the School Committee about students smoking cigarettes in bathrooms.

"It's an eternal problem," School Superintendent Jean Perron said yesterday. "It comes up every year in our meetings with the advisory council."

This year, Perron and Principal Dr. Keith Manville decided to enlist the staff at the hospital to help the high school move closer to the state's goal of being smoke free by 1990.

"We're not sure how successful it will be, but we're here to educate students, and that means letting them know the dangers of smoking cigarettes," Perron said.

Perron said smoking was a particular problem in girls' bathrooms, according to the council, despite the fact that smoking is prohibited for students throughout the city's schools. Smoking areas must be provided for teachers and other staff members because of a clause in employee contracts, he said.

The fair, which includes graphic displays, videos and pamphlets showing the effects of smoking, is being organized by David Ela, a physical therapist who works with patients of the hospital's cardiopulmonary rehabilitation program.

While today's teen-agers have access to more information than any previous generation about the ill effects of smoking cigarettes, the American Lung Association estimates more than 1 million of them take up the habit each year, Ela said.

"Young kids think they're indestructible and have no concept of what will happen over the course of 30 or 40 years if they keep smoking," Ela said. "As the number of adults who quit increases, so is the number of teen-agers who are taking up the habit."

Ela said national figures show the number of girls smoking equals the number of boys. Peer pressure and parental example play key roles in whether teenagers start smoking, he said.

The fair also will provide information on the consequences of using chewing or smokeless tobacco, which has been shown to cause lip, throat and lung cancer and has become a fad among young men across the country, Ela said.

The fair, scheduled to run from 11 a.m. to 1 p.m., will offer students tips how to overcome the addictive effects of nicotine and also test the need for the hospital to sponsor an ongoing stop-smoking program at the high school, Ela said.

Bouchard resigns two commission posts

Bev. Times 12/1

By KAREN DiCONZA
Times staff

BEVERLY – Raymond Bouchard, Conservation Commission chairman and Golf and Tennis Commission vice chairman, is resigning from his positions in order to devote more time to his full-time job.

"One thing is that it's time to get off and let somebody else get on," said Bouchard, who has served the Conservation Commission – which enforces the state's Wetlands Protection Act – since 1983 and the Golf and Tennis Commission for the past four years.

"Other than that, (I'm resigning) for personal reasons, health reasons and I have a lot of business at work. I just can't do everything."

Bouchard said he plans to submit his letter of resignation to the mayor, explaining that he wants to resign as of Jan. 1, 1990.

"It's with regret that I have to resign but it's time," he said, adding that he has been very happy to serve the city on the two boards.

Bouchard has worked full-time for the South Essex Sewerage District – which services Beverly, Salem, Danvers, Marblehead and Peabody – since 1972. He was recently promoted to the position of assistant director for support services, the second top post, following a reorganization in the district.

Bouchard said his new position is much more time consuming and played a large role in his decision to resign from the two commissions.

"But I also just think it's time for somebody else to have their chance to serve (on the commissions)," he said. "I've enjoyed it. Absolutely."

State reviewing mayor's expenses

Bev Times 12/1'

By KAREN DiCONZA
Times staff

BEVERLY – There is no word yet on the state attorney general's investigation into the alleged illegal appropriation of city money by Mayor F. John Monahan.

Monahan overspent his personal expense account by $9,100 last year when he spent $17,100 instead of the $8,000 allotted. The city auditor used money from another city account to pay for it without proper authorization from the Board of Aldermen.

The year before, Monahan overspent his office's expense account by more than $3,000.

The disclosure of the overspending came in early October during the midst of a heated mayoral campaign by challenger Jeffrey Conley. After a few days of heated accusations between the two candidates, Monahan then asked Essex County District Attorney Kevin Burke to investigate whether the accounting practices were illegal.

"Kevin Burke did refer it to our office and it is now under review," Chris Villa, spokeswoman for the attorney general's office, said yesterday. "That's all I can say publicly right now."

Villa would not speculate on how long the investigation could take and would not say if any city records have been subpoenaed.

A Beverly resident, Burke cited his friendships with both Monahan and Conley as reason to pass the investigation to the attorney general's office.

The mayor admitted the overspending and has said that his failure to stay within his discretionary budget of $8,000 in both fiscal 1988 and 1989 was "not a case of overspending but one of (the aldermen) underfunding" the accounts.

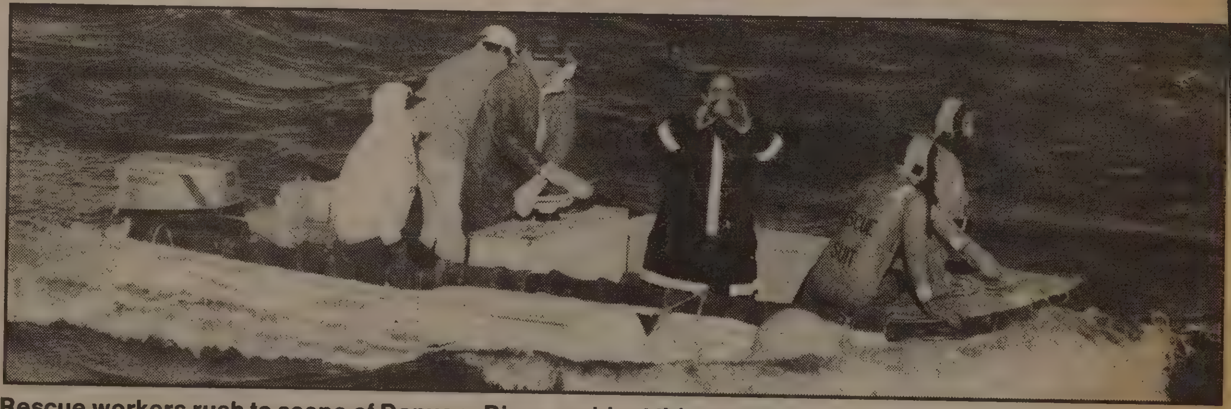
The expense account in question is used for items such as business lunches, awards for deserving citizens and gasoline. The mayor receives the expense account on top of his $55,755 annual salary.

12/1 Salem News

Car plunges into river; 5 rushed to hospitals

SALEM — A car believed to be carrying five people spun out of control on the Kernwood Bridge about 8:30 a.m. today and plunged into the icy waters of the Danvers River.

Three children were pulled from the submerged car. A woman, 20, believed to be their mother swam from the car and hung on to the pilings of the bridge as bystanders shouted encouragement and threw life preservers. She was rescued by Salem police divers and brought to shore.



Rescue workers rush to scene of Danvers River accident this morning.

The Salem News

A fifth passenger, believed to be an older woman, was found floating unconscious in the swiftly moving current and also was pulled ashore by police.

All five were rushed to Beverly and Salem hospitals. Salem Hospital reported treating a boy, 2, and a girl, 4.

A Salem Hospital spokeswoman said the younger woman was in critical condition this morning and two of the children were suffering from cardiac arrest and were being treated in the trauma unit. A third child, whose condition was unknown, was rushed to Beverly Hospital.

The condition of the other victims was not known at press time.

According to an eye witness, Carol Leslie of Beverly, the car submerged quickly.

Leslie said she was driving on Kernwood Avenue toward Salem and was behind a slow moving street sweeper when a car came from behind her, passed two other cars, and went around the sweeper.

Then the victims' car, which was ahead of Leslie, also attempted to pass but spun completely around, hit the wooden railing and went into the water.

"I pulled over as quickly as I could and jumped out of the car. I ran over to the railing and I could see a lady floating," Leslie said. "Then I heard a kid yelling, 'mommy, mommy.'"

Leslie said that when she got to the edge of the bridge, she saw only a woman and a handbag floating.

Leslie, describing the accident, said, "It was like something you'd see in a movie."

Police said the younger woman was able to talk, but incoherent.

Members of the Salem Police Dive Team worked from lobster boats to get to the car, which was trapped beneath the bridge in about 10 feet of water.

Members of the dive team included officers Dennis Burgess, Dennis Schaffaval and Michael Page. In all, more than 100 rescuers turned out from Beverly and Salem police and fire departments. Two Coast Guard boats were on the scene along with harbormasters from both cities. Police said they would return at noon, low tide, and remove the car.

One dead, four hurt as car falls into river

Bev Times 12/1

SALEM – One woman is dead and four others, including three children, were being treated at Beverly and Salem hospitals this morning after their car plunged into frigid Danvers River off the Kernwood Bridge at about 8:30 a.m.

The woman died despite efforts at Beverly Hospital to revive her.

None of the victims was identified and details were sketchy at press time, but this much was known:

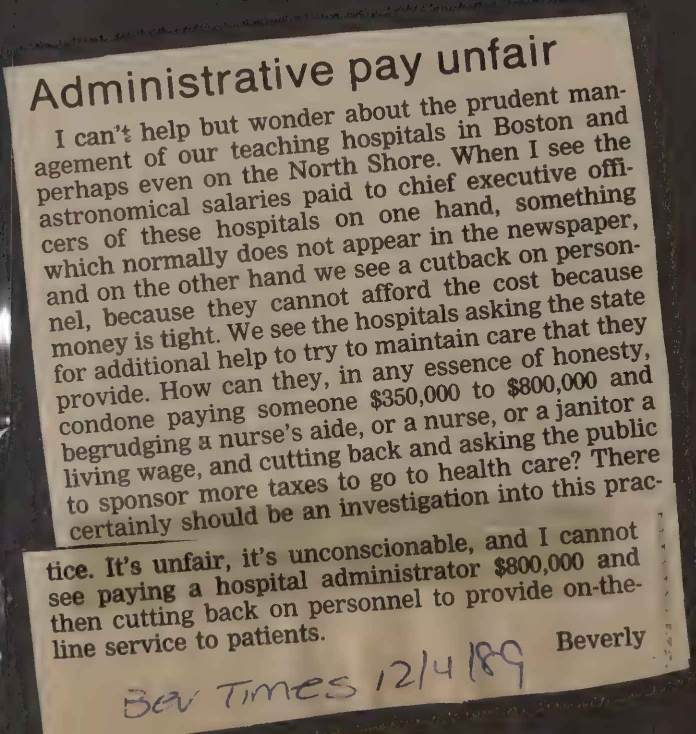
Salem Hospital was treating a 56-year-old woman, who was the driver of the car, a 2-year-old boy and 4-year-old girl.

The woman was in critical condition, being treated for, among other injuries, hypothermia from exposure to the frigid water. The two children were being treated for cardiac arrest.

Beverly Hospital was treating the two other victims, including the woman who died and was identified as the grandmother of the children, and the third child. No information about the child's condition or age was available.

Their the car appeared to jump a wooden barrier on the downriver side of the bridge and crashed through about 20 feet of the wooden guardrail before going into the water.

Kernwood Avenue was closed to traffic during the rescue operations that required a boat and two divers.



Administrative pay unfair

I can't help but wonder about the prudent management of our teaching hospitals in Boston and perhaps even on the North Shore. When I see the astronomical salaries paid to chief executive officers of these hospitals on one hand, something which normally does not appear in the newspaper, and on the other hand we see a cutback on personnel, because they cannot afford the cost because money is tight. We see the hospitals asking the state for additional help to try to maintain care that they provide. How can they, in any essence of honesty, condone paying someone $350,000 to $800,000 and begrudging a nurse's aide, or a nurse, or a janitor a living wage, and cutting back and asking the public to sponsor more taxes to go to health care? There certainly should be an investigation into this practice. It's unfair, it's unconscionable, and I cannot see paying a hospital administrator $800,000 and then cutting back on personnel to provide on-the-line service to patients.

Beverly

Bev Times 12/4/89

Tax increase opponents push back House package

B·ev Times 12/1/89

By **DANIEL BEEGAN**
Associated Press

BOSTON – After spending a day hunting for votes for a $1.2 billion tax package, House Speaker George Keverian recessed the Massachusetts House and pushed back debate on the proposed plan.

Keverian said he would bring to the floor today a refined package of sales, capital gains and gasoline tax increases, including a smaller boost in the state sales tax to gain more support.

Appearing at the rostrum about 4:30 p.m. Thursday, Keverian told the House he had been meeting with members all day and considering their suggestions.

"Considerable time has gone by today and I apologize to many of you who have been here waiting for the beginning of debate," Keverian said. "Our position is the same as it was. We intend to make some refinements and some suggestions tomorrow."

The original package from the House Ways and Means Committee would have added 2 cents to the sales tax, increased the gas tax by 10 cents over the next two years and hiked capital gains from 5 percent to 7.5 percent. It also would allow the state to collect unclaimed bottle deposits and place utilities under the sales tax.

Most increases would take effect Jan. 1, 1990, but the capital gains tax hike would be retroactive to last January.

Keverian said leadership would propose an amendment to lower the sales tax increase to 6 cents on the dollar, up from the current 5 cents. That would cost $190 million in new revenue this fiscal year and about $400 million next year.

Keverian said the loss would be made

Tax hike, page A10

Strongest supporters defect

By **DONALD BRICHTA**
Ottaway News Service

BOSTON – The House leadership was forced to pull back its $1.2 billion tax package Thursday when legislators viewed as among its strongest allies refused to support the plan.

Democratic Rep. Barbara Hildt of Amesbury was among a crucial bloc of House members who would not support a package that included an increase in the sales tax from 5 cents to 7 cents on the dollar.

That blunt message prompted the House leadership to agree to limit the sales tax increase to 6 cents and look at other changes in the controversial bill that was supposed to be debated Thursday morning.

When the leadership saw it could not muster the 81 votes needed to pass the package, it met privately with a dozen rank-and-file members before deciding to hold the bill back until today.

"The 7 percent sales tax was just more than I could support represent-

Supporters, page A10

pporters bolt

a from page 1

rder communities," Hildt

A liberal Democrat who has long supported higher taxes to help close the state's budget deficit, Hildt's defection was a strong signal that the tax package was in trouble.

Hildt said the sales tax was her only concern. While she would not say whether the decision to cut the hike back to 6 percent would have her support the package, she previously said she could support a tax hike of that size.

"I still believe we will have to raise taxes but it has got to be a package that I can support and I can justify to the people I represent," she said.

House Speaker George Keverian, the architect of the tax package, said "refinements" would be made to have a tax package that can pass the House.

"It isn't a question of bending to the membership," Keverian told reporters at a late afternoon press conference. "It's a question of being smart enough to know that it's more important to propose something that passes than it is to make a stand with something that fails."

Republicans who have stood firmly in opposition to higher taxes said they were not surprised by the defections.

"It's too big a package and too early," said Rep. Forrester A. "Tim" Clark Jr., R-Hamilton. "That's what is pulling some of these reps off."

Legislators were inundated Wednesday and Thursday with telephone calls from constituents upset at the proposal to hike taxes on sales, gasoline and capital gains. Even Republicans who strongly oppose new taxes said they received scores of phone calls.

Rep. Frances F. Alexander, D-Beverly, said could not support the package but would support some specific taxes, including the gasoline tax, higher taxes on alcohol and cigarettes, sales tax on utility purchases and capital gains starting next year.

She said she received more than 65 phone calls Thursday, mostly from Beverly residents opposing higher taxes.

"There's just an incredible anti-tax sentiment out there," said Rep. Thomas Palumbo. Of the 100 calls he received in the last two days, the Newbury Republican said only two supported higher taxes.

Rep. John Bradford, R-Rochester, said the opposition from merchants and consumers along the New Hampshire border had to play a role in Mrs. Hildt's decision.

"It's one thing to be anti-nuclear," he said of Hildt's longstanding opposition to the Seabrook nuclear plant. "It's quite another thing when you are taking money out of people's pockets."

hike package

om page 1
tional cuts and possi-
ome additional revenue
x package. He said antici-
no other significant changes,
ough he would not predict the
tcome of a vote on a rank-and-file amendment he said he expects to be offered to remove the capital-gains tax hike from the bill.

The tax proposal was attached to a $45 million "survival package" that would restore funds to social service and education programs.

Gov. Michael S. Dukakis, who indicated he had some reservations about the package, urged representatives to approve it, saying he realized taxes were unpopular but elected officials should take a tough stand and not make only the popular votes.

"If there's anything we've got to have now it's fiscal stability," the governor said. "And that's what this package is going to bring."

Keverian had told several committee chairmen they should resign if they could not support it and tax foes decried what they said were strong-arm tactics by the leadership.

But two chairmen, Rep. John C. McNeil, D-Malden, chairman of the Health Care Committee, and Rep. William Galvin, D-Boston, chairman of Government Regulations, said they would not vote for the package and did not resign.

Post Audit Chairman Robert Cerasoli of Quincy already has resigned and Public Service Chairman Kevin Blanchette of Lawrence also has said he won't support the tax bill. Keverian would not comment about Blanchette.

Rep. Steven Pierce, R-Westfield, the minority leader, said the size of the package and the leadership's effort to rush it through were a losing combination.

"They failed to get it out because they're pushing an outrageous bill," Pierce said, adding that it had set off a "firestorm of angry criticism from an angry public."

"The answer should be the same no matter what the package is. The answer should be no," Pierce said.

Several members said the changes in the package were needed to get the majority vote in the 160-member House to pass the bill.

Rep. Marjorie Clapprood, D-Sharon, a supporter of the package, said, "I think it is clear as the package stands, we are short of the 81 votes needed to pass it."

Galvin said the package was too expensive, and backed a smaller sales tax increase. Galvin also said he was concerned about making the capital gains tax hike retroactive. Galvin and Keverian are rivals in the state treasurer's race.

McNeil said he might vote for a tax increase in the spring, but would not now.

News of the package sent taxpayers to their telephones. One of two switchboard operators at the Statehouse said she was handling more than 100 calls every 15 minutes.

"The whole state of Massachusetts has called," she said, declining to give her name.

Barbara Anderson of the Citizens for Limited Taxation said the Legislature was trying to con voters into accepting taxes by slashing human services and education budgets.

"The point is, are we going to give into this kind of blackmail?" she said.

Clapprood suggested shutting off the Statehouse switchboard and locking lawmakers in the House chamber to get the tax bill passed.

She said she received one call at home at 4:30 a.m. Thursday from a woman opposed to higher taxes.

But Rep. Robert Havern, D-Arlington, who also plans to vote for the package, said he didn't think the calls were having a major impact on House members.

Keverian's leadership came under some fire, but primarily from lawmakers who weren't his supporters to begin with.

Former House Speaker Thomas McGee, D-Lynn, the man Keverian deposed five years ago, called on Keverian to resign.

Rep. William Nagle, D-Northampton, who had been a McGee supporter, said, "You can't be Keverian for five years and be McGee in one week."

Nagle was referring to Keverian's threats to fire chairmen who failed to support the tax package.

Bouchard will leave ConCom; wants Laurel Ridge resolved

Salem News 12/4/89

Hearing planned Thursday on congregate elder homes

BEVERLY — Conservation Commission Chairman Raymond G. Bouchard, who will preside at Thursday evening's commission hearing on a proposal to construct 190 units of congregate housing near Endicott College, hopes to see a decision before he leaves the commission at the end of the year.

Bouchard has stated his intention to resign. He noted this weekend that the Beverly Hospital-sponsored proposal known as Laurel Ridge has been before the commission three times previously, and he is hopeful it can be resolved before he leaves the protective agency.

A number of Hale Street residents have strongly objected to the plan and have launched a court challenge to Planning Board approval given the project.

Bouchard said that the plan was before the Conservation Commission in October, but hospital officials agreed to come up with some additional information which they are expected to present at Thursday's hearing, set for 7:45 p.m. in City Hall.

The chairman said he feels the commission will hold special hearings on the matter this month if it is not resolved Thursday, and he is hopeful the board can make a decision before Jan. 1.

Conservation Commission approval of the project is needed, because the area off Hale Street is protected as wetlands.

Concerning his resignation, Bouchard said he has not yet submitted it in writing to Mayor F. John Monahan, but he has discussed it with the chief executive.

He said last week that he is leaving the post in order to devote more time to his job as assistant director for support services at the South Essex Sewerage District.

Bouchard's decision to leave the Conservation Commission also means there will be a vacancy on the Beverly Golf and Tennis Commission.

The Beverly Golf and Tennis Club was acquired through a federal grant. Under terms of the grant, a member of the Conservation Commission must serve on the commission that administers the property.

Bouchard said he does not know who will replace him on the golf and tennis commission. He noted he volunteered to accept the position and that the mayor may again ask for a volunteer for the post.

He concluded that the rest of the members of the Conservation Commission will elect a new chairman when he resigns. The mayor appoints the commissiom members, but the board elects its own chairman.

Choosing an Architect . . .

The Senior Center Building Committee held a meeting last Wednesday evening, and have formulated a progress report that stated that the group has received 49 architect reports and are reading the resumes of each architect. They will start eliminating and, by the middle of December, hope to be down to the few most promising.

These names will be turned over to the Board of Aldermen for them to choose one.

Bev Times 12/4

Sr. Bulletin Board . . . Bev Times 12/4

The T.I.P.S. office, at Beverly Hospital, has placed a Senior Information Board on the left hand wall, near the entrance to the Outpatient Department.

From time to time, the office receives telephone calls offering work for an older person. Recently, a 46-year-old woman said she would like to be a travel companion and had been a tour guide. Another described a job opening at a local college for a senior citizen.

It is hoped that such information may be of interest to older citizens. As items of interest are received, they will be posted on the board.

By the way, the office is looking for a snappy name for the bulletin board, if you have one call the TIPS office. By. HAZEL DAVENPORT

A pat on the back to Marion Clancy, of 12 Giddings Street, who has been a volunteer at Beverly Hospital for the past twelve years.

Bev Times 12/4

LAWRENCE EAGLE 12/8

Water rescue: Salem, Mass., police and rescue workers rush toward shore with a young boy rescued from the Danvers River after a car in which he and five other people were riding crashed through a bridge and into the river yesterday morning. AP photo

Three die, two injured as car crashes into icy river in Salem

SALEM, Mass. (AP) — A woman, her granddaughter and another child were killed yesterday and two others injured after their car crashed through a wooden guard rail and plunged into an icy river, Salem police said.

Doris Edwards, 56, of Beverly, and her granddaughter, Jamie Edwards, 4, died at Beverly Hospital after the crash, hospital spokeswoman Toni DiRuzza said.

The woman's daughter, also named Doris Edwards, 20, was in critical condition at Salem Hospital. The younger Edwards' son, Manuel, 2, was airlifted from Salem Hospital to Children's Hospital in Boston for treatment.

Also killed in the accident was Timothy McMann, 2, who died at Salem Hospital.

The cause of the deaths was not immediately available. Salem Hospital spokeswoman Kacey Connor said Timothy and Manuel Edwards went into cardiac arrest after the crash.

Police said the younger Doris and the children in the car were from Peabody. Timothy was a neighbor, police said.

The crash occurred around 8:30 a.m. on the Kernwood Bridge, which connects Salem and Beverly, police said.

The younger Doris tried to pass a street sweeper on the bridge when her car spun out of control and crashed through the guard rail into the Danvers River.

Police said parts of the bridge were icy at the time of the crash.

Divers rescuing the victims told police two of the people were floating in the water, and the other three had to be pulled from the vehicle.

Salem Police Capt. William Herlihy said yesterday afternoon the vehicle could not be removed from the river because the current was too strong. He said an attempt would be made today to pluck the vehicle from the water.

Salem News 12/2

4 dead after bridge accident

Beverly firefighter Robert W. Atherton Jr. carries 20-year-old Doris Edwards of Peabody from the Danvers River after the car she was driving careened off the Kernwood Bridge and plunged into the river, leaving her four passengers dead. Doris Edwards, however, was listed in good condition at Salem Hospital early this morning.

The Salem News

Police investigate cause of car's deadly plunge

A News staff report

SALEM — Authorities are busy reconstructing a Friday morning single-car accident at Kernwood Bridge that has left three young children and a 56-year-old Beverly woman dead.

Salem Police said Friday night they could not determine what caused the white sedan driven by 20-year-old Doris Edwards of Peabody and carrying four others to plunge 25 feet off the bridge into the frigid waters of the Danvers River about 8:10 a.m.

After a dramatic rescue by scuba divers and intensive efforts by medical teams at two hospitals, Edwards' two children, Jamie Lee Edwards, 4, of Peabody, and Timothy Lee McMahon of Peabody, who marked his second birthday Thursday, died.

The third child, Manuel Edwards, 2½, of Beverly, a cousin of the other two children, died shortly after 11 last night in Floating Hospital at New England Medical Center in Boston, said hospital spokeswoman Kate Nixon. Manuel was flown there by helicopter Friday afternoon. Also killed by the accident was the children's grandmother Doris Edwards, 56, of 23 Wellman St., Beverly.

The younger Doris Edwards was listed in good condition at Salem Hospital early this morning after she was upgraded from critical condition. A Salem Police officer who said he spoke with Edwards Friday afternoon said that apart from hypothermia, she apparently suffered only a bump on her forehead.

Officers said they would not be able to attempt to determine the accident's cause until inspecting the car. Divers and a tow-truck team were expected to pull the car from 15 feet of water at 7 a.m. today.

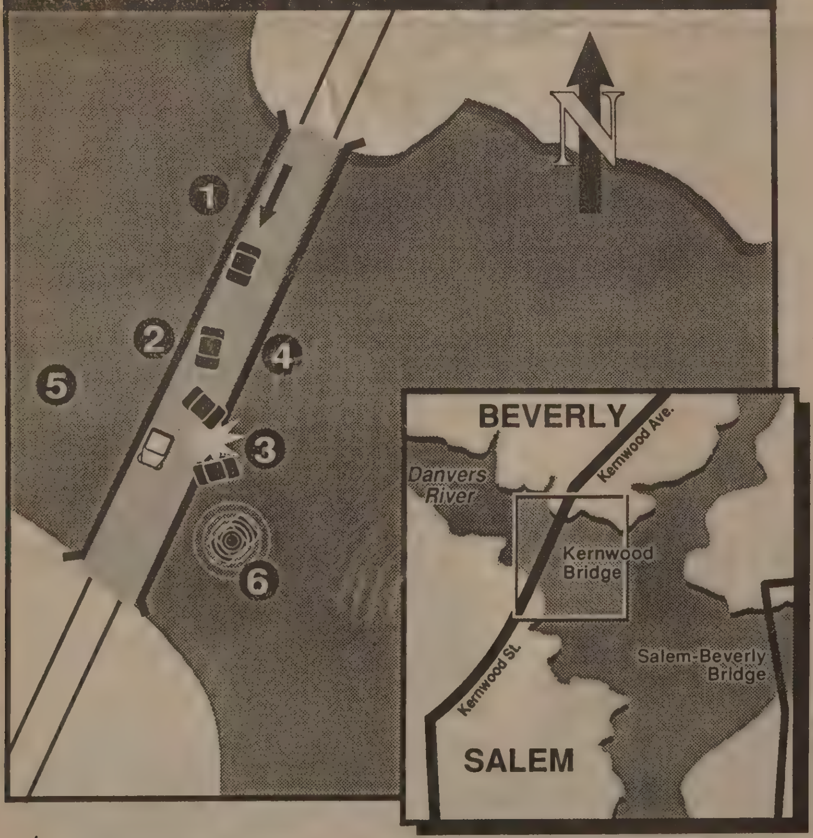
From a preliminary review of the scene, Salem Police officer Charles J. Bergman said he could not say if Edwards' car spun or skidded before crashing through a wood railing or if it traveled straight over two solid wood beams forming a two-foot high curbing at the side of the bridge.

"You can see where the car skimmed the top of those," Bergman said.

According to witnesses, Bergman said Edwards was

ACCIDENT
(Continued on Page 9)

SEQUENCE OF EVENTS



1. Car traveling south from Beverly toward Salem.
2. Car tries to pass backhoe near Salem side of bridge.
3. Car crashes through rail and plunges into river.
4. Driver found near bridge pilings.
5. Elder Doris Edwards found on other side of bridge.
6. Children found in vehicle.

Fighting current, divers pull children from river

SALEM — The members of the Salem police skin diving team who pulled three children out of a car submerged in the Danvers River Friday morning said four years of extensive training and physical conditioning paid off.

At the very least, the team's rescue efforts gave the victims a chance at surviving the accident, something that would have been impossible five years ago when a dive team didn't even exist, police officials said.

Salem Hospital emergency doctors were able to briefly resuscitate one of the three toddlers who eventually died.

Page 9

"These guys have trained all summer and it paid off today," said Capt. Paul Murphy. "They did a hell of a job."

Within minutes of the accident that sent the car plunging off Kernwood Bridge, the team was on the scene, ready to do what it could, Murphy added.

"There was a tremendous current. It was like trying to swim uphill," said officer Dennis Burgess, who, with officer Peter Shaffaval, dove down about 15 feet to free the trapped tots. "It's a good thing we were strong swimmers."

Burgess said that when Shaffaval opened a rear door of the car that had been jammed, it struck him in the face.

"I could see it (his mask) was covered with blood, but he reached in, grabbed two floating children, and brought them to the surface," Burgess added.

DIVERS
(Continued on Page 9)

tence
seman
ok said.

CIDENT

(Continued from Page 1)

ing two cars and a front-end der with backhoe at the time f the accident. She also was the third of three cars that passed the group. Two solid yellow lines are on the road to warn vehicles from passing, Bergman said.

Bergman could not say how fast Edwards had been traveling but said he was told the backhoe at the head of the line was traveling 25 miles per hour.

Police said they have not decided whether to charge Edwards with any traffic violations in connection with the accident.

As police have tried to piece together the accident, family members have gathered, sequestered from the public, in a room at Salem Hospital where the younger Doris Edwards and her sons, Timothy and Manuel Edwards, were brought. Timothy was pronounced dead by Dr. James D. Fenn at 1:20 p.m. Friday.

Grandmother Doris Edwards was pronounced dead at 9:54 a.m. at Beverly Hospital, said hospital spokesperson Sue Gustafson. Her granddaughter, Jamie, also at Beverly, died at 2:09 p.m. Gustafson said trauma teams of doctors, nurses and other specialists could not keep the girl alive despite five hours of constant effort.

Harold B. Edwards, 67, the husband of Jamie's grandmother, said the group was headed to the younger Doris Edwards' home at Colonial Manor, 4 E. Andover Drive, Peabody, at the time of the accident.

"She would pick up her mother and take her to Peabody," Harold Edwards said at his 23 Wellman St. home. "My wife would babysit and (Doris the younger) would go to work at 9:30 at Peabody Can Company on Howley Street."

Harold said his wife regularly sat with her daughter's children while Doris the younger worked at the Howley Street recycling center. Friday, the elder Doris Edwards was also sitting for Manuel Edwards, her grandson by her stepson Manuel. Police could not provide an accurate address for 2½-year-old Manuel Edwards Friday night.

Patty Mangini, who lives one floor beneath Doris Edwards younger in the Andover Drive brick apartment building, said she believed the family had planned to celebrate Timothy's second birthday today despite its true date falling on Thursday. Edwards lives with Timothy McMahon, the father of her son Timothy.

"She's a caring person," Mangini said. "She's always there. She's had my children in her car many other times."

Mangini said her two daughters frequently played with Edwards' Jamie and Timothy. She added the family moved to Colonial Manor about eight months ago after a fire in their building on Main Street forced them out.

For Howard Edwards, the loss of his wife Friday after more than 20 years of marriage, was the third in a set of recent family deaths.

He said Milton Edwards, 38, his son from another marriage, died two weeks ago from an illness brought on by alcoholism. Mr. Edwards said he also lost another son, Eddy Edwards, 40, three years ago after falling under a garbage truck in Danvers.

His wife has three surviving sisters and two surviving brothers living in the Salem area, Edwards said. His granddaughter, Doris Edwards, is one of two daughters born from his 20-year marriage to the elder Doris Edwards.

Harold Edwards, a retired tannery worker, has three sons and three daughters from three marriages. His marriage to Doris was his third and the two had just purchased their three-story yellow house on Wellman Street a month ago with one of Doris Edwards' sons from another marriage, Robert Armstrong.

"She just said take care of the puppy," Edwards said with regard to his wife's last words to him Friday morning before going out. The two had recently bought a German shepherd.

"I don't know what I'm going to do, I'll be honest with you. I'll be going up to Salisbury, I suppose," he said of his eldest daughter, Marie, who lives in that town on the New Hampshire border. "I don't really know."

DIVERS

(Continued from Page 1)

Burgess said he had been told there were only two children in the car but he decided to search the vehicle anyway.

"I got the front door open and there were clothes floating around," Burgess said. "I couldn't see anyone else. I moved the debris out of the way and found a small baby strapped into a car seat. I took that baby to the surface and gave him to the paramedics and they started working on him immediately."

The six divers who participated in the search and rescue said that without proper training they would have been unable to do their jobs.

And yet, the men said they could have stayed in the water longer if they had dry suits, considered better for diving in colder water. As it is, the men said they have paid for all their own equipment out of their own pockets.

Team members stressed that if the same accident took place in February, when the water and air are colder, they might not be able to do what they did Thursday outfitted in wet suits.

"Every one on the diving team is trained to the hilt, but it would be nice if we had the equipment to match it," said officer Conrad J. Prosniewski, a member of the diving team."

Another hero at the scene Friday was Beverly firefighter Robert W. Atherton Jr., 28, who jumped off the bridge into the river wearing a water rescue suit and swam to rescue 20-year-old Doris Edwards. Atherton said Friday that when he reached Edwards and put her on a concrete slab beneath the bridge, "she kept saying, 'You have to help my kids.' "

12/2 HERALD

2 kids, woman killed in icy plunge

By GARY WITHERSPOON
and RALPH RANALLI

A "close" family was torn apart yesterday when a woman and her two grandchildren were killed and two people critically hurt after their car plunged into the bitter-cold Danvers River in Salem.

Salem Police frogmen Peter Shaffaval and Dennis Burgess battled 10-knot currents and 38-degree water to free the children from the submerged vehicle.

Carol Leslie said Doris Marie Edwards, 20, of Peabody, was driving ahead of her on the metal center of the two-lane Kernwood Bridge and tried to pass a slow-moving street-sweeper.

The gray and black four-door Monarch spun

Turn to Page 8

HOPE AGAINST HOPE: A Salem rescue worker caresses the forehead of one of three children who were pulled from a car that had been submerged in the Danvers River for more than an hour. Two of the children died, but it was not known if the child pictured survived.

AP photo

Malta has the charmed feel of a nation locked firmly in an earlier era.

But you wouldn't know it from the isolated harbor setting the White House and Soviet officials chose for the summit.

Tiny Marsaxlokk Bay, where the USS Belknap and the Soviet cruiser Slava lay anchored, hardly qualifies as one of Malta's prime postcard-perfect backdrops.

The bay is lined with oil tanks, oil derricks and factories — a site more condu-

the respective first ladies.

Raisa Gorbachev, who used to give former first lady Nancy Reagan fits when the two crossed paths, has been coy about her plans for the Malta summit.

Meanwhile, Barbara Bush, said to get along well with her Soviet counterpart, decided after consulting with her husband not to make the trip to Malta.

□□□

Yesterday Raisa raised some Catholic hackles by playing the woman in red.

□□□

One reason why the Bush White House reportedly pushed hard to have this weekend's summit aboard

media coverage.

Bush officials reasoned the isolated site would discourage such "spontaneous" crowd plunges.

350,000 on a stretch of ar land about half the size Rhode Island — one of th most densely populated r gions of the world — the

INDEX

Advice 34
Bridge 26
Business 21-23
Classified 38-62
Comics 24-26
Cross Clue 25
Crossword 24
Cryptoquote 25
Editorials 18-19
Entertainment 27
Horoscope 20
Jumble 24
Living 33
Lotteries 67
Obituaries 36-37
Racing 63-65
Sound Off 20
Sports 63-80
TV Listings 32
Trivia Quiz 25
Weather 20

Boston Herald

©1989 News Group Boston Inc.

(ISSN07385854) One Herald Square, Boston, Mass. 02106. Published daily by News Group Boston Inc. (617) 426-3000. Saturday, December 2, 1989. Vol. 7, No. 336. Second class postage. The newspaper names Herald, Traveler, Record, American, Advertiser, whether used singly or in combination and whether preceded by the words Boston, Daily, or Sunday, for newspapers of general or local circulation in the New England area, are the property of News Group Boston Inc. Postmaster: Send address changes to the Boston Herald, One Herald Square, Boston, Mass. 02106. Advertisements accepted for publication are subject to the provisions of current rate cards. To obtain copies call 426-3000. Rates available on request.

Calling the Boston Herald

Telephone 426-3000. Circulation/Customer Service 426-9100. Classified Advertising 423-4545. Educational Services/School Delivery 426-3000, extension 555. All other business 426-3000.

Coup attempt casts shadow on su

From Page 1

German vote yesterday to abolish Communist Party dominance, underscored the delicate balance — and striking limits — of superpower influence as the Cold War fades.

Still, the meetings mark an historic reckoning for the two men who hold the power to forge a bold new blueprint for easing superpower tensions.

Bush, responding to a request from Philippines President Corazon Aquino, provided air cover for her government forces.

"We're doing what has been requested of us," said Bush without elaboration. "We are hopeful that the matter will be contained."

Soviet officials launched a stinging summit's eve reply that broke, at least for the moment, the conciliatory spirit that had grown up around the two-day meeting.

"Any interference in internal developments by foreign powers is destructive, as our experience shows," said Soviet Parliament press chief Arkady Maslennikov.

Added the Soviet, pointedly: "The best thing is to leave Filipinos to sort these things out."

The Bush administration this week announced plans to try to convince the Soviets to stop shipping arms to Central America and to curb their role in other regional conflicts.

The United States' decision to use air power to bolster longtime ally Aquino is likely to clearly mute the tenor of Bush arguments against Soviet global adventurism.

Bush, who has insisted he will spring no surprises at Malta, also seemed to be caught off balance by Gorbachev's call for an all-European summit as early as next year to address th sweeping changes co vulsing the East Bloc.

"I'll talk to him," sa Bush. "Any ideas he's g I'll discuss them wi him."

Gorbachev has a h tory of unleashing su mit surprises and Bu officials are suitab wary.

The Soviets have sa they will seek trade a other financial conc sions from Bush that w help them grow mo competitive in the wo economy.

After touching down this tiny island nati Bush, a former Navy pi shot down in World W II, toured the rain-sw deck of the aircraft c rier USS Forrestal fighters whined acr the vessel's takeoff stri

After clambering do to the enlisted me mess, Bush ate a lunch corn, chicken and lasag spiced with a liberal d

12/2/89 HERALD

Car plunge in Salem kills 3

From Page 1

360 degrees, practically vaulted a 16-inch-high bridge wheelguard and plowed through a 4-foot wood railing into the 18-foot-deep river. Police do not believe oncoming traffic or ice were involved in the crash shortly after 8 a.m.

Edwards and her mother, Doris Edwards, 56, of Beverly, escaped from the car, but three young children were trapped inside, said Salem Police Sgt. Audrey Sullivan, who coordinated rescue efforts. Both women were in the water no more than 15 minutes, she said.

But it took rescuers much longer to get to the trapped children because of the time needed to bring in a boat and diving equipment.

Police said the children were submerged under the 75-foot-wide bridge on the Salem-Beverly line for about 65 minutes before rescue efforts began. They were unconscious when brought to the surface.

After suiting up, divers entered a boat at 9:05 a.m., jumped into the water at 9:10 and removed the children by 9:15, said Sullivan.

"I was the first one in the water," said Shaffaval. "We went right to the car. It was very clear. We could see exactly what we were doing. The car was full of water.

"From the accident, the front passenger door was bashed in. So I used my foot to jar it loose. There were two (children) floating in there. I grabbed them right out and brought them up to the paramedics waiting in the boat."

While Shaffaval rescued two children, Burgess removed a third child from a safety seat and brought him to the surface. The rescue took about a minute, said Shaffaval.

Doris Edwards, the children's grandmother, was found floating face down about 60 yards downstream from the two-lane bridge. She was pronounced dead at 9:24 a.m. at Beverly Hospital.

Her granddaughter, Jamie Lee Edwards, 4, of Peabody, died at 2:09 p.m., also at the hospital. A second grandchild, Jamie's half-brother, Timothy McMahon Jr., died at 1:20 p.m. at Salem Hospital, said emergency room physician James D. Fenn, who treated three accident victims. Timothy had celebrated his second birthday Thursday.

Doris Marie Edwards was conscious but in shock when found hanging onto a bridge piling, police said.

She was listed in critical condition at Salem Hospital after being treated for hypothermia and shock, said Fenn. As a "near-drowning" victim, she will be monitored for two days to be sure her lungs do not swell, he added.

Manuel Edwards, 2, a cousin of the two dead children, was brought to Salem Hospital without a pulse, but a 10-person trauma team worked feverishly for three hours and was able to get his heart beating again, said Fenn.

He was transferred to the pediatric intensive care unit at the Floating Hospital at New England Medical Center yesterday.

"The child came in in full arrest, clearly a drowning victim, as well as trauma," said Fenn.

The child's body temperature was raised from 80 to 92 degrees and a "good blood pressure and a good pulse" were restored, Fenn said.

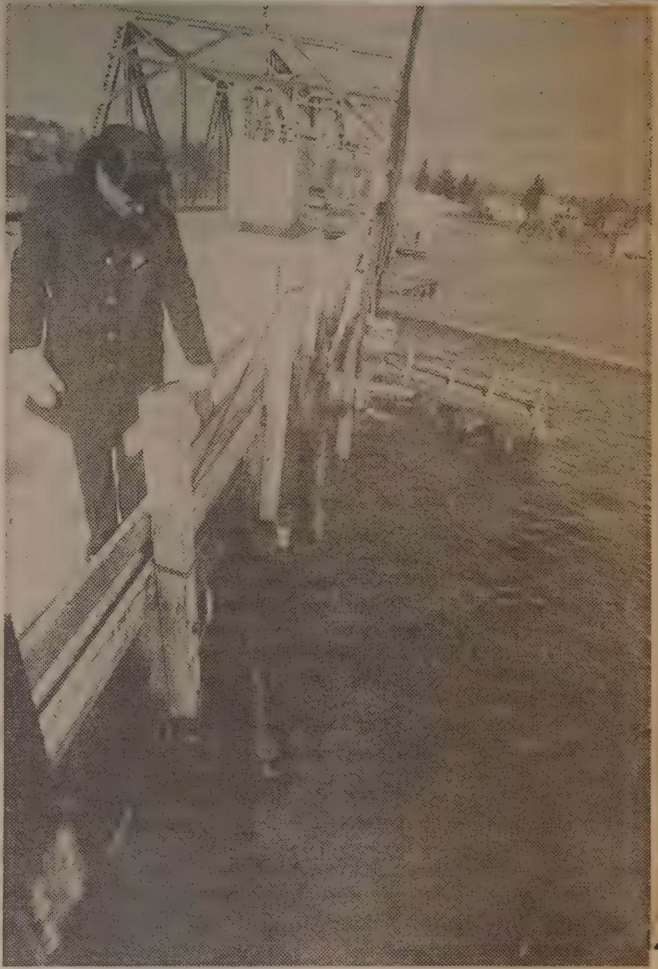
As specialists struggled to revive the boys, Ramona Molligi, Manuel Edwards' aunt, said: "I just pray to God the kids come out of it OK. This is a terrible, terrible thing to have happen. I go over that bridge all the time and it's usually pretty safe."

Both divers, who were later treated for hypothermia and minor injuries at Salem Hospital, said they were not daunted by the cold water.

"It was cold," said Shaffaval. "I didn't feel the cold at the time, the adrenalin's going. You're not thinking about that."

Added Burgess: "The current was very strong. The water was surging between the bridge pilings like a funnel. We had trouble even keeping down in the water with the car."

—Laura Brown contributed to this story.



SCENE OF TRAGEDY: Salem Police Sgt. John Jodoin looks down at the spot in Salem's Danvers River where a car plunged yesterday, killing a grandmother and two children.

Staff photo by George Martell

HALLWAY DEBATE: Rep. John C. McNeil (D-Malden) discusses the tax bill with Laura Barrett of MASSPIRG yesterday at the State House. The House voted 94-64 last night to remove a capital gains tax increase from the Democratic leadership's tax package.

Staff photo by Arthur Pollock

se members voted yesterday on an amendment to knock a percent capital gains tax increase out of the tax package. **Y indicates a vote in favor of the bill; N indicates a vote against, and X indicates the legislator did not vote.**

Alexander, F., D-Beverly	Y
Alexander, L., D-Marblehead	N
Ambler, D-Weymouth	Y
Angelo, D-Saugus	N
Antonioni, D-Leominster	Y
Bartley, D-Watertown	N
Beckwith, D-Reading	N
Binienda, D-Worcester	Y
Blanchette, D-Lawrence	N
Blute, R-Shrewsbury	Y
Bohigian, D-Worcester	Y
Bosley, D-No. Adams	N
Bourque, D-Fitchburg	Y
Bradford, R-Rochester	Y
Brett, D-Boston	N
Brewer, D-Barre	Y
Buell, D-Greenfield	N
Bump, D-Braintree	Y
Burgess, D-Brockton	Y
Businger, D-Brookline	N
Cahir, D-Bourne	N
Cahoon, R-Chatham	Y
Caron, D-Springfield	N
Casey, D-Winchester	Y
Catjakis, D-Springfield	N
Cerasoli, D-Quincy	Y
Ciampa, D-Somerville	Y
Clapprood, D-Sharon	N
Clark, R-Hamilton	Y
Cleven, R-Chelmsford	Y
Cohen, D-Newton	N
Collaro, D-Worcester	Y
Connolly, D-Natick	Y
Constantino, R-Clinton	Y
Correia, D-Fall River	N
Cox, D-Lowell	Y
Decas, R-Wareham	Y
DeFilippi, R-W.Springfield	Y
DiMasi, D-Boston	X
Doran, D-Lexington	Y
Driscoll, R-Northbridge	Y
Durand, D-Marlboro	Y
Emilio, D-Haverhill	Y
Fiero, D-Gloucester	N
Finneran, D-Boston	N
Fitzgerald, D-Boston	N
Flaherty, C., D-Cambridge	N
Flaherty, M., D-Boston	Y
Flood, D-Canton	Y
Flynn, D-Hanover	Y
Forman, R-Plymouth	Y
Fox, D-Boston	N
Galvin, D-Boston	N
Gardner, D-Holliston	Y
George, D-Dartmouth	Y
Gibson, D-Belmont	N
Giglio, D-Medford	Y
Giordano, D-Methuen	Y
Glodis, D-Worcester	Y
Grace, D-Burlington	Y
Gray, R-Framingham	Y
Guernsey, D-Williamstown	N
Harkins, D-Needham	Y
Havern, D-Arlington	Y
Hayes, D-Whitman	N
Healy, R-Charlemont	Y
Hermann, D-No. Andover	Y
Herren, D-Fall River	N
Hicks, R-Wayland	Y
Hildt, D-Amesbury	N
Hodgkins, D-Lee	N
Holland, R-Longmeadow	Y
Honan, D-Boston	N
Hornblower, R-Groton	Y
Howarth, R-Springfield	Y
Hynes, D-Marshfield	Y
Jakubowicz, D-Pittsfield	N
Jordan, D-Springfield	N
Karol, D-Attleboro	N
Kehoe, D-Dedham	Y
Kennedy, D-Brockton	N
Keverian, D-Everett	N
Koczera, D-New Bedford	N
Kollios, D-Millbury	N
Kraus, R-Kingston	Y
Lambert, D-Fall River	N
Landers, D-Palmer	N
Lawrence, D-New Bedford	Y
LeLacheur, D-Lowell	Y
Lemanski, D-Chicopee	N
Lewis, R-Bridgewater	Y
Loring, R-Acton	Y
Lozzi, D-Lynn	N
MacGovern, R-Harvard	X
Mackey, D-Somerville	N
Magnani, D-Framingham	N
Mandile, D-Waltham	Y
Mann, R-Hanson	Y
Manning, D-Milton	Y
Mara, D-Brockton	Y
Marsh, R-Wellesley	Y
McDonough, D-Boston	N
McGee, D-Lynn	Y
McIntyre, D-New Bedford	N
McKenna, R-Holden	X
McNeil, D-Malden	Y
Menard, D-Somerset	N
Merced, D-Boston	N
Miceli, D-Wilmington	[illegible]
Moore, D-Uxbridge	Y
Morin, R-Barnstable	Y
Morrissey, D-Quincy	Y
Murray, R-Cohasset	Y
Myerson, D-Brookline	N
Nagle, D-Northampton	N
O'Brien, D-Easthampton	Y
O'Leary, D-Melrose	Y
O'Sullivan, D-Worcester	Y
Owens-Hicks, D-Boston	N
Pacheco, D-Taunton	N
Paleologos, D-Woburn	N
Palumbo, R-Newbury	Y
Parente, D-Milford	Y
Petrolati, D-Ludlow	Y
Pierce, R-Westfield	Y
Poirier, R-No. Attleboro	X
Ranieri, D-Bellingham	Y
Rea, D-Billerica	N
Reinstein, D-Revere	Y
Rohan, D-Holyoke	Y
Roosevelt, D-Boston	Y
Rosenberg, D-Amherst	N
Rourke, D-Lowell	Y
Ruane, D-Salem	Y
Rushing, D-Boston	N
Saggese, D-Winthrop	N
Scaccia, D-Boston	N
Schur, D-Newton	N
Scibelli, D-Springfield	N
Serra, D-Boston	Y
Suhoski, D-Gardner	N
Sullivan, D-Norwood	Y
Teague, R-Yarmouth	Y
Thompson, D-Cambridge	N
Tisei, R-Wakefield	Y
Tobin, D-Quincy	Y
Torkildsen, R-Danvers	Y
Travinski, D-Southbridge	N
Travis, D-Rehoboth	Y
Trombley, D-Waltham	Y
Tucker, D-Andover	Y
Turkington, D-Falmouth	N
Vellucci, D-Cambridge	N
Vernon, R-Mansfield	Y
Voke, D-Chelsea	N
Walrath, D-Stow	Y
Walsh, Marian, D-Boston	Y
Walsh, Michael, D-Agawam	N
Walsh, T., D-Peabody	Y
Woodward, D-Walpole	Y

on capital gains in major setback for Keverian

Calling the Boston Herald

Telephone 426-3000. Circulation/Customer Service 426-9100. Classified Advertising 423-4545. Educational Services/School Delivery 426-3000, extension 555. All other business 426-3000.

the conciliatory spirit that had grown up around the two-day meeting.

balance by Gorbachev's call for an all-European summit as early as next

enlisted me

mess, Bush ate a lunch

corn, chicken and lasag

spiced with a liberal d

Two children die at hospitals

BCV Times 12/2/89

By **KAREN DiCONZA**
and **VIRGINIA LOWRY**
Times staff

SALEM – Two young children and a 56-year-old Beverly woman died yesterday after the car in which they were riding smashed through a wooden guardrail on the Kernwood Bridge and plunged 20 feet into the frigid Danvers River.

A third child was listed in critical condition in a Boston hospital last night and the car's driver was listed in good condition at Salem Hospital.

Doris (Perry) Edwards, a Beverly resident born and raised in Peabody, died at Beverly Hospital shortly after being rushed there by ambulance following the 8:30 a.m. accident.

Her granddaughter, Jamie Edwards, 4, died at Beverly Hospital at 2:09 p.m., and Timothy McMahon, who turned 2 on Thursday, was pronounced dead at 1:20 p.m. at Salem Hospital. Both were pulled from the submerged car by divers about 45 minutes after the accident.

A third child, Manuel Edwards, the 2½-year-old

Crash, page A2

claims three lives

age 1

Jamie Edwards, was wn to the Boston Floating Hospital of New England Medical Center by Med-Flight helicopter after being treated for four hours at Salem Hospital. He was listed in critical condition in the Pediatric Intensive Care unit last night.

He was pulled from the car shortly after the other two children.

The car's driver, also named Doris Edwards, of 58 Central St., Peabody, was listed in good condition last night in the intensive care unit at Salem Hospital.

Beverly and Salem hospital officials attributed the three deaths to drowning and hypothermia caused by exposure to the 36-degree water. Hypothermia is when the body's core temperature drops below 96 degrees F.

(See separate story.)

Salem Police Sgt. Audrey Sullivan said police learned of the accident on the bridge, which connects Beverly and Salem, at 8:10 a.m.

When police and firefighters from Beverly and Salem arrived, they found the car submerged in about eight feet of water. It was below a section of the bridge just to the Salem side of the metal-grated, swing span.

Before plunging into the water, the car smashed through a 20 foot section of double wooden guardrail and jumped a 16-inch-high wooden barrier.

The younger Doris Edwards was found clinging to a bridge piling, shouting for help. She was thrown from the car, but had no apparent serious injuries, according to James Fenn, the attending emergency physician.

He said she had "a few lumps and bumps on her head."

Fenn said the younger Edwards had a body temperature of 90 degrees F, and although she was delirious and unable to give much information about the accident, her condition was not considered serious.

Sullivan said the accident scene was "utter chaos" when rescue workers first arrived because of all the people who had stopped their cars on the bridge and were shouting to Edwards to encourage her to stay afloat.

Edwards' mother could be seen floating face-down about 50 yards up-river, caught in the current from the incoming tide, witnesses said.

Two Beverly firefighters wearing specialized cold-water survival suits were summoned to pull the two women from the river, while Salem police divers in wet suits were called to dive to the car and rescue the children, who were trapped inside. The two Salem divers, Patrolmen Peter Shaffaval and Dennis Burgess, were injured during the rescue and rushed to Salem Hospital.

Both were treated and released for exposure-related injuries.

According to police, two witnesses said Edwards was driving the car across the metal grate on the center of the bridge from Beverly to Salem and was the third car in a line behind a piece of heavy machinery, believed to be a street sweeper.

When Edwards passed the sweeper, the car spun out of control and shot through the railing on the down-river side of the bridge, the witnesses told police. Salem Patrolman Charles Bergman, who is working to reconstruct the accident, said both witnesses estimated Edwards was driving 35 mph.

Along with Beverly and Salem police and firefighters, Coast Guard crews, harbormasters and public works crews responded to the scene. Sullivan estimated that more than 100 officials gathered for the emergency rescue.

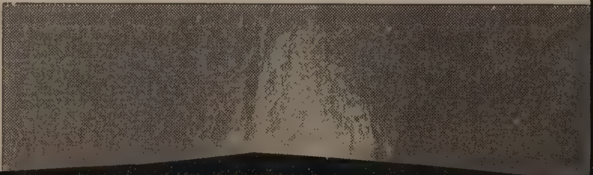
Times reporters Kevin Wesley, Eric Convey and Andrea Parker contributed to this report.

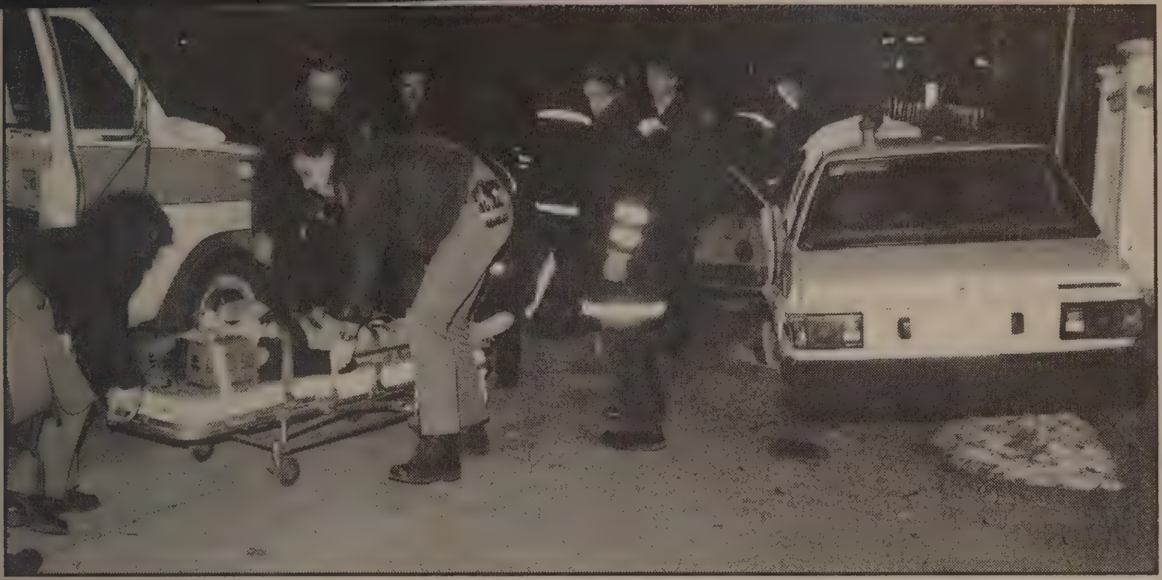
of 153 Wash-

Mark Tetrault phot

Emergency personel bring one of the occupants of a car that plunged into the Danvers Rive yesterday morning to a waiting stretcher.

Hypothermia can help . . . or kill





EMTs, firefighters and police move Joyce Lamb, 32, of Newburyport to an ambulance after extricating her from her car which struck a utility pole near Lee's Crossing in Beverly Farms late Sunday afternoon. Lamb was treated at Beverly Hospital and later arrested on a charge of driving while under the influence of liquor.

The Salem News

Salem News 12/4/89

Accident victim shows improvement

BEVERLY — An 18-year-old Salem man is reported to be improving at Beverly Hospital, and a Newburyport woman was treated there and later arrested, as the result of separate weekend accidents.

Ian Julian of 3 Watson St., Salem, was admitted in critical condition to Beverly Hospital, where he is being treated for injuries he suffered when the car he was driving struck a parked pickup truck near 40 Rantoul St. at about 3 a.m. Saturday.

Police said the impact drove the truck more than 25 feet, causing it to overturn and starting a chain reaction that resulted in damage to three other parked vehicles.

Julian's condition was upgraded to serious Sunday, and a hospital spokesman said this morning he has now been further upgraded to "fair."

When they arrived at the accident scene, police said Julian was unconscious and they could not reach him.

Firefighters came to the scene and used the Jaws of Life to cut away a portion of the roof of the car so Julian could be freed and given medical assistance.

Police drove the Life-Line Ambulance to Beverly Hospital so that employees of the ambulance company could administer to the victim.

Julian was admitted to the intensive car unit at the hospital for treatment of head and chest injuries.

Police said the other vehicles, which were all parked, are owned by John Vaccaro, 28 Front St., Salem; Michael Kozak, 9 Becket St., Salem; Vincent A. LeBlanc, 40 Rantoul St., Beverly; and Diana Masforoll, 35 Northey St., Salem.

Investigators were not able to talk to Julian at following the accident and the investigation is continuing.

Injured driver arrested

In the second accident, shortly before 4:30 p.m. Sunday, police said a car driven by Joyce Lamb, 32, of 22 Bromfield St., Newburyport, struck a utility pole at Hale and West streets near Lee's Crossing in Beverly Farms.

Investigating officers said Lamb was unconscious when they arrived, and the Fire Deparrment again responded with the Jaws of Life.

Lamb was treated and released at Beverly Hospital and subsequently arrested on a charge of driving while under the influence of liquor.

No damage to the utility pole was reported.

Weekend accidents in Peabody, Beverly seriously injure two men

Bev Times 12/4

Two Salem men were seriously injured in separate accidents in Peabody and Beverly during the weekend.

William O'Donnell of 37 Rainbow Terrace, Salem, was listed in critical condition this morning in the intensive care unit at Brigham and Women's Hospital, Boston, where he was taken following an explosion Saturday at Peabody business.

O'Donnell was taken to Salem Hospital after a 4:49 p.m. blast at Tanning Corp., 58 Pulaski St. He was later flown by helicopter to Brigham and Women's.

Fire Department officials contacted this morning said there was an explosion and fire at the business. Firefighters were on hand for about two hours. No cause has yet been determined.

In Beverly, an 18-year-old driver from Salem was listed in fair condition in the intensive care unit at Beverly Hospital this morning after being pulled from his wrecked vehicle with a hydraulic rescue tool Saturday morning.

> ***Patrolman Daniel Skerry said rescue workers found Julian unconscious and partially under the dashboard of the 1975 Oldsmobile Cutlass.***

The tool was used to peel off the roof of a car driven by Ian Julian of 3 Watson Street, who was involved in a chain-reaction accident on lower Rantoul Street in Beverly.

Patrolman Daniel Skerry said rescue workers found Julian unconscious and partially under the dashboard of the 1975 Oldsmobile Cutlass.

According to Skerry, Julian was driving south on Rantoul Street, apparently at a high rate of speed, when he lost control of his car. The Cutlass struck a parked pickup owned by John Vaccaro of 28 Front St. The pickup was pushed 27 feet before flipping onto its side and coming to a stop on the sidewalk.

Vaccaro's pickup truck slammed into a Chevrolet Citation owned by Michael R. Kozak of 9 Becket St., Salem, also parked. The following vehicles, both parked, also were struck: a Pontiac Grand Prix owned by Vincent A. LeBlanc of 40 Rantoul St., and a Volkswagen Rabbit owned by Diand M. Masforoll of 35 Northey St., Salem.

Sgt. Richard Cassola ordered traffic rerouted along School and Edwards streets.

Because all paramedics were occupied with treating Julien, Patrolman William Wasuta drove the LifeLine Ambulance to Beverly Hospital.

Skerry said criminal charges are pending against Julian.

Hypothermia can help. . . or kill

12/2/89 Bev Times

By **SHERI LALLAS**
Times staff

Each of the victims pulled from the cold Danvers River after an accident at the Kernwood Bridge was treated for hypothermia, a medical condition that can sometimes help a drowning victim survive.

The body's normal temperature is 98.6 degrees Fahrenheit. Hypothermia is the lowering of the body's interior temperature to 96 degrees or below, according to Dr. Robert Kellard, a physician at the Hunt Memorial Hospital in Danvers.

Three people from yesterday's accident – Doris Edwards, 56, of Beverly, Jamie Edwards, 4, of Peabody and Timothy McMahon, 2, of Peabody – died from drowning and hypothermia, according to officials at Salem and Beverly hospitals, where they were taken for treatment after the 8:10 a.m. accident.

The driver of the car, Doris Edwards, 20, of Peabody and Manuel Edwards, 2½, of Peabody are both being treated for hypothermia.

In hypothermia victims, if the body temperature drops abruptly enough, the affected person may go into a hibernation-like state, according to Kellard.

Hypothermia, page A2

page 1

ng that can happen situation is to get in water possible and stay hose cases are the ones ve the better chances of val," said Kellard during a phone interview.

Salem Hospital officials said Manuel Edwards' body temperature had fallen to 80 degrees.

When it reached about 92 degrees, his heartbeat started coming back. Although still comotose, his vital signs were good enough to fly the child to Boston's Floating Hospital by Med-Flight helicopter.

"I can't tell you if he will make it through the night. It can take days or weeks to determine," said Dr. James Fenn, the attending emergency physician. "If I were a betting man, I would give him less than a 50 percent chance."

Because of the extreme cold, the body's breathing slows down, which lessens the amount of water inhaled into the lungs, the blood is sent primarily to the vital organs such as the heart and the brain to provide them with enough oxygen for survival, and the pulse slows down.

Kellard said that children are more likely to have their temperatures drop faster because they don't have as much body surface to affect.

But the physician said that a child in water 30 degrees Fahrenheit or less can die in less than 10 minutes.

However, the deciding factor for the survival of hypothermia victims, especially in the case of drownings, is usually the length of time it takes the victim to get the condition, said Kellard.

"If somebody's (unconscious) in freezing cold water, you have a much better chance of survival than if they were down for some other reason such as a heart attack," said Kellard.

Conversely, somebody who has become hypothermic after remaining in water that is 70 degrees fahrenheit for an extended length of time has less of a chance of being revived.

For this reason, according to Kellard, many of the cases where people have fallen into the water during the winter and survived happened when the water was the most bitter-cold, like January or February.

"Forty-five minutes is the longest I've ever heard of anyone being submerged and still being revived. The shorter they're under the better," said Neal Hovey, paramedic coordinator for North Shore Ambulance in Salem.

There are three stages to hypothermia, according to Kellard.

The first reaction the body has to the extreme cold is the increase in heart rate and accelerated respiration.

"It's very much like turning on the cold water in the shower suddenly," said Kellard. "The first thing you do is dance around and yell."

After a couple of minutes, the heart rate and respiration slows down, and the blood pressure drops.

Following that the muscles become rigid, and the body gets stiff.

Finally, when the body temperature reaches 80 degrees, the body goes limp, having lost its best defense against the cold, which is shivering.

According to Kellard, the likelihood of a person dying is 50 to 60 percent if a person's body temperature drops to 78 degrees or below.

"The younger the patient and the quicker they disappear (under water) the better the odds of survival," said Kellard.

To treat someone with hypothermia, paramedics will try to warm up the body slowly and carefully, according to Hovey.

Blankets and dry clothing are used in conjunction with removing the victim from the extreme temperature to warm the outside of the body.

"It's important to have the patient totally naked and warm the person up slowly," said Hovey.

Hovey said that warming too quickly can send the patient into another kind of shock.

"Don't rub their hands or put them on top of a heater," said Hovey. "It can damage skin tissue."

Hovey said that a process called intubation, where an endotracheal tube is placed into the trachea to provide direct ventilation into the lungs is quite common with hypothermia victims.

The process involves opening the victim's mouth and inserting a laryngoscope, a flashlight-like device with a blade and a tube on the end into the trachea. The tube is slid in between the vocal chords and the trachea.

"Hypothermia is a form of shock where all the body systems are depressed and everything constricts. It's a mammalian diving reflex – cold water stops the body functions," said Hovey. He further explained that this can cause a victim to gasp and choke for air and the process of intubation makes their attempts to breathe easier.

To warm from the inside out, a method Kellard called peritoneal dialysis, where warm solutions are flushed through the abdomen with a catheter, is used. Other methods include using warmed intravenous feeding methods, and forcing warmed air into the lungs by machine.

When a person begins to respond to treatment, the first thing that usually happens is the heart will fibrilllate, or beat abnormally quickly.

At this point, paramedics will administer cardiac medication to stabilize the heart rate.

If recovery continues, the pulse will come back and the heart will begin beating normally. Eventually the patient will begin breathing on his or her own.

According to Fenn, the danger in hypothermic cases is that the brain can swell severely.

"The brain will actually squeeze itself to death," said Fenn.

Car skids off Salem bridge, killing woman, 2 children

By Jordana Hart
CONTRIBUTING REPORTER
and Diane Lewis
GLOBE STAFF

SALEM – A woman and two of her grandchildren died yesterday and her daughter and another grandchild were hospitalized in critical condition after their car crashed through the wooden guardrail of a bridge yesterday morning and plunged into the frigid Danvers River.

The two women, Doris Edwards, 56, of Beverly, and her 20-year-old daughter, also named Doris Edwards, of Peabody, came to the surface moments after the car sank into the water next to the Kernwood Avenue Bridge, which connects Salem and Beverly. The three children were trapped inside the car, which quickly filled with water.

Hampered by the near-freezing water and a swift current, Salem police divers strained to pull the three youngsters from the back seat of the white sedan, said Police Sgt. Audrey Sullivan. The car was visible from the bridge as it lay on the river bottom, 20 feet under the surface.

The children, two of whom suf-

BRIDGE, Page 33

Globe 12/2/89

ar falls off bridge, killing 3 in Salem

BRIDGE

Continued from Page 1

fered cardiac arrest, were submerged in the 35-degree water for about 45 minutes before being pulled out, and doctors later said their body temperature was about 80 degrees, a level doctors consider extremely life-threatening. They were treated at hospitals in Beverly and Salem, where two of them died.

The third, 2-year-old Manuel Edwards, the only child who was strapped into a car seat, was flown by helicopter yesterday at 2 p.m. to the Floating Hospital for Infants and Children, part of the New England Medical Center in Boston, where he was listed in poor condition last night. None of the other occupants appeared to have been wearing seat belts in the 8:30 a.m. accident, police said.

The older Edwards was pronounced dead at Beverly Hospital at 9:20 a.m., said hospital spokeswoman Sue Gustafson, about 45 minutes after Salem police divers plucked her body from the river. Police said she was found floating about 300 yards from the submerged car.

Her grandchildren, Timothy McMahon, 2, and Jamie Edwards, 4, died during the afternoon after doctors tried for several hours to revive them, using warming lights, blankets and heated intravenous fluids.

Timothy was pronounced dead of cardiac arrest and drowning at 1:20 p.m. at Salem Hospital, according to Dr. James D. Fenn, and Jamie was pronounced dead at 2:09 p.m. at Beverly Hospital, Gustafson said. She said causes of death for Jamie and her grandmother were not available last night.

The younger Edwards, who police said was driving the car, remained in serious condition last night at Salem Hospital, suffering from shock and abnormally low body temperature, or hypothermia. She is the mother of both Jamie and Timothy, according to a family friend, and the aunt of Manuel, who is her brother's son.

"She suffered severe bruises to the body and was hypothermic. She was also delirious," said Fenn. He said her condition was upgraded from critical to serious last night.

"I'm living a nightmare," said Robert McMahon, 33, of Beverly, Timothy's uncle. "Now Doris has no kids. Why couldn't it have been me? I have lived my life. Why take two kids?"

Skidded on icy metal bridge

According to police, the Edwards' car was one of several crossing the bridge behind a slow-moving street sweeper. As Edwards pulled out to pass the street sweeper, the car appeared to skid on the icy metal surface of the drawbridge and slide out of control. Police said Edwards was not exceeding the speed limit of 25 miles per hour.

"I saw the cars stopped and people peering over the side and hollering at people in the water," said a distraught Paul Jodoin, who has been operating the bridge for 19 years and who first notified police about the accident. "I saw one person swimming, but the other was just floating. I didn't know if I should jump in."

William Doucette, 29, a Beverly lobsterman, said he and his partner were just a few feet away from the police divers as they brought the children to the water's surface and handed them to paramedics on waiting boats.

"I saw them pull up the girl and then one of the boys," said a visibly shaken Doucette in his Rantoul Street home yesterday. "Once the divers got there, it took them just seconds to get the kids out."

Doucette said he lay on the deck of his boat and leaned over the side to hold onto the divers so they would not be swept away in the roughly 10-knot current, as they waited for a boat to pick them up.

Police divers Dennis Burgess and Peter Shaffaval, who wore wetsuits, were treated for hypothermia at Salem Hospital, according to Salem Police Lt. Wilfred Garrette. Burgess also suffered a shoulder injury, Garrette said, when the current smashed him against the side of the car. Shaffaval suffered facial injuries.

Preparing for birthday party

According to Patty Mangini, 28, a friend and neighbor of the younger Edwards, the young woman was on her way to leave her children with her mother so that she could prepare for Timothy's birthday party today.

She said Edwards moved to the three-story brick building on Andover Drive within the past year, after a fire damaged her Main Street apartment.

"Doris was a cheery little thing who was very close to her mom," Mangini said.

Edwards lived with her boyfriend, Timothy McMahon, the father of her son, and is one of six siblings, according to Mangini, including a 13-year-old sister, Shirley.

"Doris and Tim were planning to get married soon," said Robert McMahon, as he cried. "I just don't know what happened."

Globe reporter Gloria Negri contributed to this story.

Bridge crash survivor out of hospital

Bev Times 12/4/89

By ERIC CONVEY
Times staff

The driver of the car that plunged into the near-freezing Danvers River Friday morning, killing her mother, two children and nephew, was released from Salem Hospital yesterday, a hospital spokeswoman said this morning.

Doris Edwards, 20, of Peabody was treated at Salem Hospital for hypothermia and shock after she was rescued from the river. The sedan she was driving crashed through a wooden guardrail and fell about 20 feet into the river just before 8:30 a.m. on Friday.

Her mother, also Doris Edwards, of Beverly, was also pulled from the river but died shortly thereafter at Beverly Hospital. She was the wife of Harold Edwards, also of Beverly.

Divers pulled the three children from the submerged car about 45 minutes after the accident.

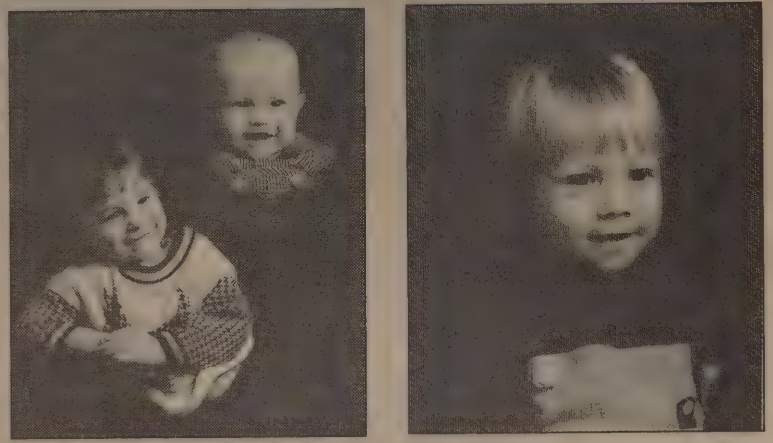
The younger Edwards' two children – Jamie Lee Edwards, 4, daughter of Edwino Silveria Jr. of Salem; and Timothy Lee McMahon, 2, son of Timothy Lee McMahon of Peabody – died later in the day at local hospitals.

Salem and Beverly hospital officials attributed those three deaths to drowning and hypothermia caused by exposure to the 36-degree water.

Manuel Joseph Edwards Jr., 2, the driver's nephew and son of Manuel J. Edwards Sr. and Tina Marie Sungy of Beverly, was treated for several hours Friday at Salem Hospital and flown to Floating Hospital of New England Medical Center in Boston, where he died late Friday night.

Police have not yet listed a cause for the accident, which occurred when Edwards tried to pass a backhoe that was crossing the bridge. Witnesses said that when Edwards passed the backhoe, her car spun out of control, vaulted over a 16-inch-high wheel guard and crashed through a wooden railing on the down-river side of the bridge. The witnesses estimate Edwards was traveling at 35 mph.

A funeral for the four who died will be Wednesday at 9 a.m. from the Francis L. Conway and Sons Funeral Home, Chestnut Street. A funeral Mass will follow at St. John's Church, Peabody.



Timothy McMahon, top left, Jamie Edwards, bottom left, and Manuel Edwards, right, victims of Friday morning's accident on the Kernwood Bridge.

Salem News 12/4/89

Driver that went off bridge discharged from hospital

SALEM — Doris Edwards, 20, of Peabody, the lone survivor of a car that went off the Kernwood Bridge into the Danvers River Friday morning, was discharged from Salem Hospital Sunday afternoon, a hospital spokeswoman said today.

Edwards' two children, her mother, and her nephew all perished in the accident.

Edwards was the driver of a sedan that attempted to pass two cars and a slow-moving front-end loader about 8:30 a.m. Friday when she apparently lost control of the car which crashed through a wooden guard rail and fell into the icy river and submerged.

Rescue workers found Edwards clinging to a bridge piling; police divers pulled the three children — ages 4, 2½, and 2, from the submerged vehicle. They were rushed to area hospitals but did not survive. Edwards' mother, also named Doris Edwards, 56, of Beverly, was found on the other side of the bridge. She died at Beverly Hospital at 9:54 a.m. Friday.

Saturday morning, rescuers and a tow truck crew pulled the car from the river.

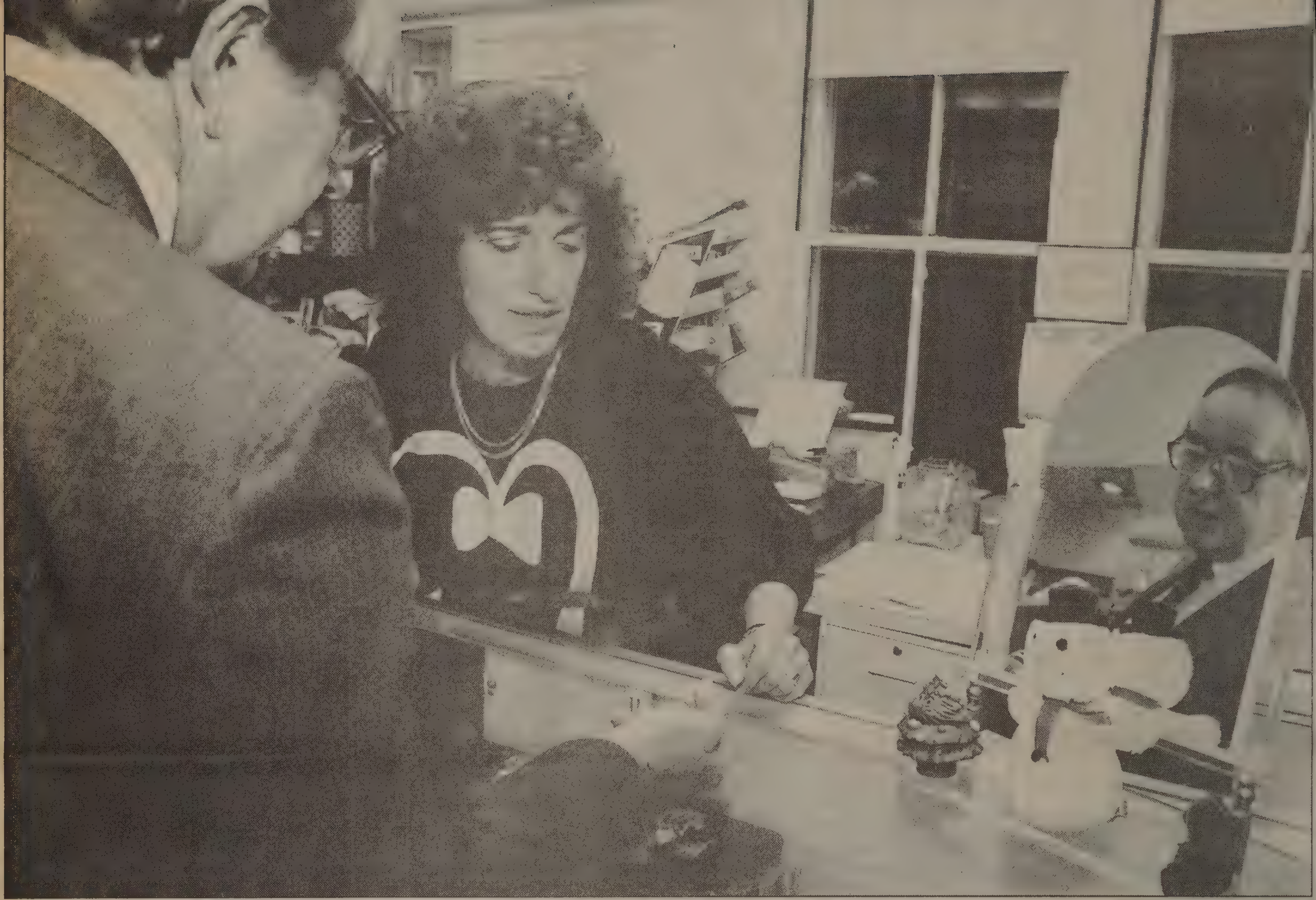
Hospital fair offered

A "Holiday Happening" will be held in the lecture hall of Beverly Hospital on Friday from 10 a.m. to 3 p.m.

The fair, sponsored by the Beverly Hospital Aid Association, will include a selection of holiday greenery, a selection of gold jewelry sold below market prices, baked goods, holiday crafts and a selection of toys from Schylling Associates and gifts from the Sunflower Gift Shop at the hospital.

There will also be a raffle of prizes including a pewter tea service and a holiday turkey.

Raffle tickets are $1 each and they are on sale at the hospital's Volunteer Department.



Mark Tetrault photo

Salem Hospital gift shop volunteer Myra Siegel tends to a customer, Dr. George McDonald.

PEABODY TIMES 12/1

Hospital volunteer's work honored

By ELYSE DECKER
Times staff

PEABODY – After spending more than 1,800 hours in the gift shop at Salem Hospital on Highland Avenue, Myra Siegel has been named "Volunteer of the Month" for November.

Siegel, who has volunteered at the hospital's Gull Gift Shop every Thursday from 4 p.m. to 7 p.m. for the past 10 years, said she enjoys the helping customers choose gifts and cards for patients because she likes to be with people.

She added that her desire to contribute something to the North Shore community led her to volunteer at the hospital.

"I like to be pleasant with people and help them pick gifts out," said the West Peabody resident.

According to Arthur Lund, director of volunteer services: "Mrs. Siegel is a dedicated and committed volunteer. We consider ourselves lucky to have an individual of such high caliber on our volunteer force."

> “*I like to be pleasant with people and help them pick gifts out.*”
>
> **– Myra Siegel**

Siegel also contributes to the Peabody community as an eighth-grade English teacher at the Higgins Middle School.

"I like helping both – students or customers – because it's working with people and contributing to their lives in some way," said the 25-year teaching veteran.

After spending so many hours at work in the hospital gift shop, Siegel said she has both amusing and depressing memories.

"We sell a lot of candy to the staff and when they come in they all say the same thing. (They say) 'I don't usually eat this but I need a quick pick-me-up,' " Siegel said with a soft laugh.

"Kids come in all the time and count out their pennies to see what they can buy their parents and I love to take all the time in the world with them because it shows you can still have faith in some kids," she said as her voice slowly trails off.

Her expression becomes serious as she discusses other customers. "Sometimes it's very sad when patients come in and we just try to cheer them up," said the mother of two sons.

Siegel said the best memory she has of her volunteer work is that of her co-worker, Marion, who passed away last month.

And when she has some free time, away from the volunteer demands, Siegel said she enjoys reading, watching Perry Mason reruns and dancing and going to the theater with her husband, Stanley.

Salem News 12/2

House members squash tax plan

How they voted

The following reflects how North Shore representatives voted Friday on an amendment concerning the 50 percent increase in the capital gains tax. OPPOSING TAX HIKE: Reps. Frances F. Alexander, D-Beverly; Forrester Clark, R-Hamiton; Joseph N. Hermann, D-N. Andover; Thomas W. McGee, D-Lynn; J. Michael Ruane, D-Salem; Richard R. Tisei, R-Wakefield; Peter G. Torkildsen, R-Danvers; and Thomas P. Walsh, D-Peabody.

IN FAVOR OF TAX HIKE: Reps. Lawrence R. Alexander, D-Marblehead; Paricia G. Fiero, D-Gloucester; and Vincent J. Lozzi, D-Lynn.

A News staff report

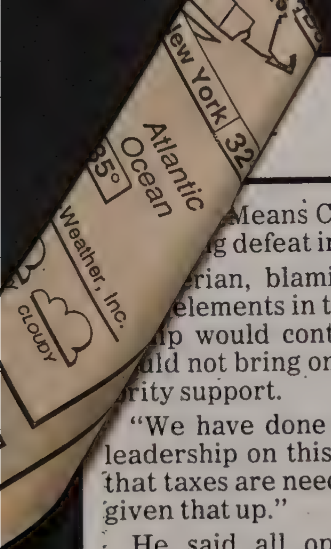
BOSTON — Massachusetts House leaders will return to the drawing boards in their effort to craft a tax hike after their $1.2 billion plan suffered a major defeat Friday.

By a stunning 94-64 margin, House members voted to kill a provision in the plan to hike the capital gains tax by 50 percent. The vote came despite intense lobbying and personal trips to the podium by both House Speaker George Keverian and House Majority Leader Charles F. Flaherty.

The defeat followed Thursday's decision by House leaders to reduce by half a proposed hike in the state sales tax. That change and the vote Friday together cut nearly $300 million from the $614 million in revenue the package was to generate in FY90.

Following the vote, a subdued Keverian ordered the entire package referred to the House

TAX
(Continued on Page 10)



(Continued from Page 1)

Means Committee for redrafting, in effect g defeat in the tax fight for now.

erian, blaming the outcome on "mean-spir- elements in the public, told reporters the lead- p would continue to seek a tax package, but ld not bring one to the floor unless it enjoys ma- rity support.

"We have done the very best we can to provide leadership on this issue and convince the members that taxes are needed to fill a deficiency. We haven't given that up."

He said all options would be considered but added, "No tax proposal will be made unless the support is there."

Keverian's decision to return to square one on the tax issue was greeted with relief by members, many of whom seemed shell-shocked from the barrage of phone calls they had been receiving from irate constituents.

"I think there was no alternative," said Rep. Frances F. Alexander, D-Beverly, of the abandonment of the tax plan. Like others, she said it was clear the votes were not there for taxes.

"The message got through loud and clear," said Rep. Thomas P. Walsh, D-Peabody, of public sentiment.

Throughout most of Friday, however, it appeared possible that leadership might draw enough votes to prevail on the capital gains vote, which those on both sides agreed was a crucial test of whether the entire package could survive.

Rep. Gregory Sullivan, D-Norwood, who sponsored the amendment to strike the capital gains provision, warned that the increase would further the downslide of the state's econony.

"If this were to pass ... it would be the same as placing a full-page ad in the Wall Street Journal warning, 'Do not invest in Massachusetts,' " he said.

But Keverian said including the capital gains hike was necessary to make the overall tax hike fair since it would make wealthier citizens pay their share of it.

"We're absolutely convinced there should be some recognition that there should be fairness and equity in dealing with the tax package," he said.

Rep. Daniel E. Bosley, D-N. Adams, said lawmakers had no choice but to raise taxes — including the one on capital gains. "It is our responsibility to pay our bills," he said.

Rep. Forrester A. "Tim" Clark, R-Hamilton, said, however, that raising capital gains taxes would result in a drop in revenue, since it would spur wealthy citizens, who bear the brunt of the tax, to flee the state.

"The worse thing you can do right now is to send the rich man away," he said.

Members of the leadership, apparently sensing they were short of votes late in the debate, promised amendments to ease the impact of the capital gains hike, in particular to ensure that it was not applied retroactively. But the effort fell short.

Rep. Lawrence R. Alexander, D-Marblehead, among those voting for the tax increase, said he did not regret the decision.

Dukakis sees tax package by holiday

12/4/89
Bev Times

By **KEVIN GALVIN**
Associated Press

NEWTON (AP) – Gov. Michael S. Dukakis is confident a compromise on new taxes will be reached before Christmas, but House Speaker George Keverian said the Legislature may propose $600 million in cuts instead.

Efforts to reverse the state's fiscal crisis were stymied last week when Keverian failed to muster support for a $1.2 billion revenue package and the measure was returned to the House Ways and Means Committee.

"It's not an easy vote for members of the Legislature to make, but if we were just elected to cast easy votes there would be no reason to send us up to Beacon Hill," Dukakis said.

Attending a fund-raiser for the Combined Jewish Philanthropies of Greater Boston on Sunday, Dukakis spoke with reporters as he prepared to take a more active role in developing a revenue plan.

The governor has lobbied lawmakers on behalf of new taxes to deal with the state's estimated $825 million budget deficit for fiscal 1990. But he had no hand in writing the latest tax proposal.

Keverian and Dukakis spoke to each other over the weekend and said they plan to meet with other officials this morning to work toward a consensus.

"Now's the time to do it. We all want to go home for Christmas and have a good Christmas with our families and make sure the citizens of this state enjoy their holiday," Dukakis said. "The next week is going to be crucial."

However, Keverian, D-Everett, told the Boston Globe yesterday that Massachusetts residents may have to feel the effects of huge budget cuts before they will go along with tax increases.

"If everybody thinks that we are lying about having sufficiently cut the budget and are just playing . . . and protecting special interests, then maybe the only alternative will be for the Legislature and the governor . . . to make the additional $600 million or so in cuts to balance the budget," Keverian said.

One step would be to withhold $600 million in state aid that is about to be paid to cities and towns, he said.

"I hope it never happens, but where else would a governor turn to make the massive kind of cuts

Dukakis, page A8

rtgage
tes Around"
ucester, MA 01930
83-1353
SE AUCTION

ax compromise

nued from page 1

would have to make?

"Certainly not in Medicaid. He is not going to close nursing homes and throw elderly people out in the street to die."

Keverian told The Boston Globe Sunday that before he leads another fight for new taxes, he "will have to see a willingness of the members to recognize that closing the gap by cutting would be devastating and closing the gap by reasonable tax increases would be sensible."

Keverian also said he didn't know what further role the governor could play in the House debate and said little was discussed in a Sunday telephone call with Dukakis.

Neither Dukakis nor Keverian would specify what their next move to gain support for taxes would be, but the governor continued to assert that a majority of the House members would support a "responsible revenue package."

However, the Globe reported that it was told by unidentified sources that Dukakis wants an increase in the state income tax.

A temporary increase in the income tax, raising it from 5 percent to 5.75 percent until the end of next year, was approved earlier.

Rep. John Flood, D-Canton, a frequent critic of the financial policies of the Dukakis administration, said he would not support any tax package until more spending cuts are made, but if new taxes are needed, increasing the income tax makes the most sense.

"If we turn to anything, it should be the income tax. At least that is tax-deductible on the federal tax form," Flood said Sunday.

Assistant House Minority Leader Kevin Poirier, R-North Attleboro, criticized Democrats for continuing to consider tax increases.

"They are in fantasy world if they think they can pass any type of tax package," he said. "The message of the people in the Commonwealth has been delivered. If they didn't hear that, they are totally deaf."

Keverian was stunned by a 93-65 defeat Friday when the House knocked a proposal to increase the capital gains tax by 50 percent, even after the speaker agreed not to make the increase retroactive for this fiscal year.

Earlier, he had promised to scale a proposed sales tax increase back from 2 cents to 1 cent on the dollar.

Keverian had attempted to hold the line on the package by declaring any committee chairman who could not support the leadership's proposal should resign. Many chairmen defied the speaker, and his failure to get the votes was a significant political blow.

"Obviously the Democratic leadership doesn't have its act together," said Steven Pierce, R-Westfield, the minority leader.

Salem News 12/2/89

Survey: Women doctors held back by motherhood

BOSTON (AP) — Although female doctors can successfully combine child rearing with teaching at medical schools, most feel that motherhood has slowed their careers, according to a survey released today.

Women make up 19 percent of medical school faculties — up from 13 percent two decades ago — but they have been slower to crack the the academic world's top ranks.

A nationwide survey of 558 of these women, all younger than 50, found that nearly two-thirds had children. About half of those with youngsters had delayed starting their families until they were in their early 30s and had finished their medical training.

Although the majority said they were satisfied with their careers and their decision to have children, 78 percent felt that their families had slowed their job advancement.

"We believe that it is possible for women to combine motherhood with a fulfilling career in academic medicine, but it is difficult, and most such women believe that motherhood slows the progress of their careers," the researchers wrote.

Drs. Wendy Levinson and Susan W. Tolle of Oregon Health Sciences University and Charles Lewis of the University of California, Los Angeles, conducted the survey. The results were published in today's New England Journal of Medicine.

To earn senior posts on medical faculties, junior doctors must first receive tenure, and that requires conducting research and publishing reports, among other duties.

The study's authors suggested that women — or men — who take time off for their children be given longer to complete these milestones. "For example, a faculty member working half time would have twice as long to achieve standards for promotion and tenure as those working full time," they wrote.

In a separate commentary in the journal, Dr. Carola Eisenberg, a child psychiatrist at Harvard Medical School, said medical schools should use affirmative action to get more women into their upper levels.

"If there is only one tenure slot and there are both men and women fully qualified to fill it, a woman should be appointed," she wrote. "That is the only way to offset the prevailing pattern of discrimination."

She also urged that the proportion of women among tenured faculty members rise from the current 6.7 percent to 10 percent within the next three years.

"Does anyone really believe that 500 qualified women cannot be found among the 8,000 now at the level of assistant or associate professor to make this goal realistic?" she asked.

Health Sense

BETSY A. LEHMAN

Hospital sign language

Boston globe
12/4/89

ON THE DOOR OF YOUR HOSPITAL room is a card depicting a masked, gloved person. Or perhaps there is a sign bearing the words: Strict Isolation. Contact Precautions. Respiratory Precautions.

What does it mean? Is there something the doctor hasn't told you?

You're walking your sick child down the hall to the hospital playroom. All along the way, children's doors are plastered with precautions signs. Even some of the strollers carry signs warning off all comers. What do those poor children have? Could it be AIDS? Could your child possibly catch it?

All those children don't have AIDS. It's a good bet that none of them does.

These days, precautions signs on doors, patient's beds or medical charts usually mean the patient has, or may be carrying, something far more infectious – and usually far less deadly.

Chickenpox. Measles. Tuberculosis. Some skin infections. Whooping cough. Certain infections that cause diarrhea. Bacterial meningitis. Some upper respiratory infections in children.

Or, precaution signs may mean that the patient is too vulnerable to infection to be exposed to *you*.

Each year, roughly 5 percent of people admitted to hospitals acquire a new infection there. About half are urinary tract infections, often in people who needed a catheter. Pneunomias and wound infections are the next most common, said Dr. Murray D. Batt, of Park Ridge, Ill., a member of the American Hospital Association's panel on infections in hospitals.

In all, so-called nosocomial infections affect about 2 million people a year, says Dr. Richard Platt, epidemiologist at Brigham and Women's Hospital in Boston.

Each hospital devises its own plan for keeping patients and staff from catching infections, including promoting handwashing by staff and visitors, designing ventilation systems to control spreading of germs, and properly cleaning or sterilizing equipment. Patients with highly infectious diseases are commonly assigned private rooms.

Signs on patients' doors are another part of the offensive. But they represent an ethical balancing act. How best can you protect patients, staff and visitors without betraying patient confidentiality and scaring people needlessly?

The signs warn hospital staff and visitors to wear gloves, gown or a mask, check with the nurse before entering, or stay out altogether (if they haven't had chickenpox, for instance, and

SENSE, Page 38

anguage on hospital-patients’ doors

ed from Page 33

tient does). Better to be cau- us early than play catchup later.

Ironically, however, the disease about which the public is probably most worried – AIDS – typically isn’t noted at all on patients’ doors. Only if AIDS patients have another contagious illness are they singled out in many hospitals.

And precautions signs on hospital doors long predate AIDS; for decades, hospitals have used this way to warn nurses, doctors and visitors about spreading illness from patient to patient.

In 1987, the federal Centers for Disease Control recommended that hospitals treat the blood and body fluids of *every* patient as if he or she has AIDS. Not only were the signs warning “blood and body fluids precautions” that many hospitals used on AIDS patients doors unfairly stigmatizing patients, they were obscuring the fact that many patients unknowingly carried AIDS virus. These hidden infections posed as least as much threat as those that were identified.

With the CDC recommending “universal precautions,” many of the signs on doors have been eliminated. Dr. Cyrus Hopkins, epidemiologist at Massachusetts General Hospital, says at his institution, only a few conditions, including measles, tuberculosis and chicken pox, which can be transmitted simply by being in the same room with the sick person, call for signs on doors.

Instead, Hopkins says, all body materials, not just blood but also feces and urine, are treated as though they potentially carry disease.

As such broad-based precautions take hold, as gloves and gowns and masks become routine, patients and their families are becoming less frightened, not more, say specialists.

Ellen M. Sullivan, a nurse who cares for infants and toddlers at Children’s Hospital in Boston, says she and her colleagues put on gowns virtually every time they pick up a child under 1 year of age, regardless of the child’s illness.

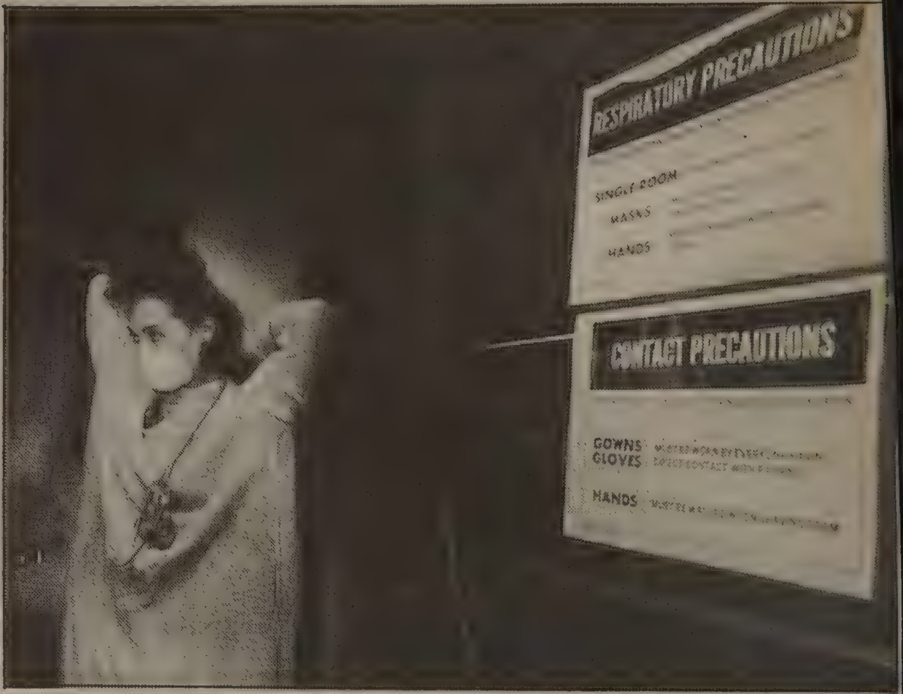
Still, because of the prevalence of highly infectious viruses and bacterial infections in young children, precautions signs abound on Sullivan’s floor. Parents need explanations for why nurses and doctors are taking the extra steps of masks and gloves, and they need to know if they need to take extra precautions themselves.

Some parents ask about the signs on other children’s doors, and some specifically inquire if the children have AIDS. But Sullivan can’t divulge a child’s diagnosis to a stranger; it’s a breach of confidentiality. Patients and their families are free to discuss their own illnesses, but in all hospitals, doctors and nurses are duty-bound not to share information about you with outsiders.

Says Patricia A. Rutherford, nurse manager on Sullivan’s unit: “What parents are asking when they’re worried about another patient having AIDS is really, ‘Is their child safe?’ That’s their question. If they’re aware of that and trust the staff, it’s a nonissue.”

What people may not understand is that most diseases, even diseases far more contagious than AIDS, aren’t spread just by being in the same room or hallway with someone.

Says Emily Rhinehart, infection control practitioner at Children’s: “Very few [infections] are airborne. We perceive things like the flu are airborne, but they’re not. They are what is called ‘droplet spread.’ You have to come in contact with the person or his secretions. When you cough, the droplets don’t go farther than about three feet.”



GLOBE STAFF PHOTO / WENDY MAEDA

Nurse Michelle Doherty of Children’s Hospital removes her mask after leaving patient’s room. The door bears precaution signs.

To help patients and visitors understand and support the infection control effort, Platt, Rhinehart and others in local hospitals offered these suggestions:

- Don’t visit at the hospital if you’re sick, even if it’s just a cold. In particular, never visit someone, or allow your child to, after exposure to measles, chickenpox or another highly contagious disease. Call a nurse on your friend’s or relative’s hospital floor *before* going if you have any questions. And wash your hands before entering the sick person’s room.
- If you’re a patient concerned about how hospital precautions apply to you or another patient, ask your nurse. Do your visitors need to wear gloves or a mask? You aren’t entitled to know what illness another patient has, but if you’re worried about catching something, ask if you have reason to be concerned. If you need more information, ask to speak to the hospital’s infection-control team, a social worker or the patient representative.
- In a children’s ward, parents should not touch children other than their own.
- Avoid blood spilled in the hospital, as you would anywhere else, but you needn’t be frightened that you’ll catch AIDS by sharing a room or a bathroom with someone with AIDS. AIDS is difficult to catch; even sticking yourself with a needle containing AIDS-contaminated blood won’t necessarily transmit the infection. The risk of a patient’s getting AIDS from another patient in the hospital, says Platt, is “vanishingly small.”

Betsy A. Lehman is a member of the Globe staff.

Daily Evening Item
12/1/89

Doctor's rape trial delayed til February

SALEM — Dr. William P. Adams, a Marblehead plastic surgeon accused of child rape, will not be tried until February at the earliest.

Judge Barbara A. Dortch continued the case until Feb. 12, when a trial date is expected to be set in Superior Criminal Court.

Adams, 43, of 422 Ocean Ave., is charged with the rape of a young girl sometime between June 1, 1983, and April 1, 1984, and again between June 1, 1988, and July 15, 1988.

The alleged incident was supposed to have begun when the girl was 11 years old and in the third grade.

It remains unclear whether the victim, an adopted South American girl, was a minor when one of the alleged incidents occurred.

The court had recently ruled that the defense would be able to interview four prospective commonwealth witnesses, all minors, in a sequestered hearing at Superior Court.

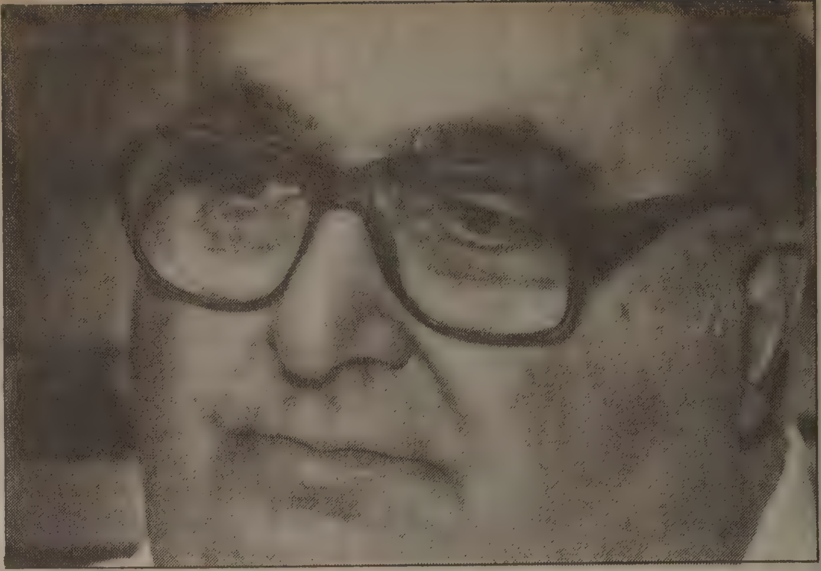
Following a colloquy with Dortch, the children reportedly refused to discuss the case with defense lawyer Martin K. Leppo of Boston.

Adams vehemently denies all the commonwealth's accusations.

He has been free on $1,000 cash bail since pleading innocent last May in Superior Court before Judge John P. Forte Jr.

'If everybody thinks that we are lying ... maybe the only alternative will be for the Legislature and the governor ... to make the additional $600 million or so in cuts.'

GEORGE KEVERIAN,
Mass. House Speaker



Keverian may pick up budget ax

Boston Globe 12/4/89

By Scot Lehigh
CONTRIBUTING REPORTER

House Speaker George Keverian said yesterday that his leadership team may opt to slash another $600 million from the state budget rather than try again to pass a tax package.

Keverian said the leadership will meet today to mull its next fiscal move, but declared that before he leads another charge up tax-hike hill, he "will have to see a willingness of the members to recognize that closing the gap by cutting would be devastating and closing the gap by reasonable tax increases would be sensible."

Keverian's efforts to push through $1.2 billion in new taxes collapsed last Friday when the House leadership, reeling from a 94-64 vote against raising the capital gains tax, was forced to recommit the entire revenue package to the Ways and Means Committee.

But in an interview at his Everett home, Keverian rejected assertions that the House's failure to approve a tax package had hurt him politically. The speaker added that last week's rout of the leadership tax package would have no effect on his plans to run for treasurer.

"At the present time, I am a candidate," he said.

Saying he does not share Gov. Dukakis' optimism about the chance of getting a tax package this year, Keverian said that for the mood to change in favor of taxes, the public may first have to feel the effects of the massive cuts necessary to close the current budget gap. That gap is estimated at between $500 million and $850 million.

"If everybody thinks that we are lying about having sufficiently cut the budget and are just playing ... and protecting special interests, then maybe the only alternative will be for the Legislature and the governor ... to make the additional $600 million or so in cuts to balance the budget," he said.

KEVERIAN, Page 16

political system."

though Lt. Gov. Evelyn Murphy has

rian says he may k up budget ax efore another tax bid

KEVERIAN

Continued from Page 1

Keverian noted that one way to close the gap would be to withhold $600 million in local aid about to be paid to cities and towns. That would result in "wholesale layoffs, closing of schools, and firing of police and fire and public safety employees," he said. "I hope it never happens, but where else would a governor turn to make the massive kind of cuts he would have to make? Certainly not in Medicaid. He is not going to close nursing homes and throw elderly people out in the street to die."

Although the speaker said he was disappointed in the House's failure to approve the leadership tax package, he vigorously denied that that failure reflected poorly on his leadership.

"Not a question of leadership"

"It is not a question of leadership, it is a question of members being willing to agree and take the necessary risks that votes like this pose," he said. "To make it so simplistic that it is a test of my leadership, or that someone stronger could get the votes passed . . . does not understand the political system."

Asserting that the media had unfairly saddled him with responsibility for the House impasse, Keverian said he does not consider last week's losses a blow to his hopes to be elected treasurer.

"I could have pandered to the crowd and I suppose you would say, 'He is against taxes and he is a hero,' " he said. "I choose to do the hard and tough thing because it is the right thing to do. If the public wishes to kill the messenger, then I can't control that, but I am not going to change my attitude and my position because of what personal loss it may mean to me. And I am not convinced that it has to."

The speaker refused to say whether he would remove members of his leadership team who voted against him last week. However, he acknowledged that a failure to do so would make a mockery of his new, avowedly tougher posture. And in a remark that may spell bad news for the renegade chairmen, Keverian added that it was hard to persuade the rank-and-file to vote for new taxes when "they can point to chairmen who routinely walk away from what I consider to be the responsible position."

Saying the current antigovernment public anger was "much, much worse" than 1975, the last time the state experienced a comparable fiscal crisis, Keverian blamed much of the poisonous mood on the media, and particularly "the radio talk shows . . . that constantly will take one individual hired in one department and play it for all it is worth so that everybody feels that everybody who works for state government is a hack and a nonproductive individual." That media obsession with patronage and political connections spreads the erroneous impression that the budget can be balanced by eliminating waste, Keverian said.

Disappointed in candidates

The speaker also expressed disappointment in the Democratic gubernatorial candidates, whose positions on taxes are at variance with his own. Former Attorney General Francis X. Bellotti has repeatedly said that taxes should not be raised until more cuts are made, and although Lt. Gov. Evelyn Murphy has endorsed generic budget-balancing efforts, she was in Florida on vacation during the tax debate. Rep. John Flood (D-Canton), meanwhile, has made avoiding a tax increase the cornerstone of his candidacy.

"The problem with statewide campaigns is that they rely too much on polls and public attitudes of the moments and political consultants, and not enough on our knowledge of the problem," Keverian said, adding that he believes politicians "have an obligation to educate and to lead."

Keverian also struck back at Rep. Thomas McGee (D-Lynn). McGee, whom Keverian deposed as speaker in 1985, spent much of last week criticizing his successor as a weak leader and suggesting that the House needed a return to the tougher style of the McGee years.

"McGee lost many more than I did when he was speaker," Keverian said. "If he was such a strong-arm personally and could demand loyalty, how come he lost the speakership overwhelmingly?"

BOSTON GLOBE 12/2/89

House puts skids on tax hike

By M.E. Malone
GLOBE STAFF

A proposal to raise state taxes by more than $1 billion was taken off the table last night by the House leadership after it lost a key vote on a proposal to raise the state's capital gains tax next year.

House Speaker George Keverian (D-Everett) sent the whole tax package back to the Ways and Means Committee.

He recessed the House until Tuesday and said he would not introduce another tax package until he was assured of support for it, something that may be difficult to secure after last night's vote.

"I cannot hold people's hands," he said, adding that House members know tax increases are needed "and are afraid to vote for them. I cannot help them."

Keverian had no answers when asked what the House leadership would do next to try to resolve the state's deficit, estimated at from $800 million to $850 million.

"Those decisions will be made in the next few weeks," he said, adding that the options available to the leadership are limited to what the membership will support. "We're going to look at everything."

Wall Street's bond rating agencies have warned that if the budget deficit is not resolved, the state's bond rating may drop in mid-December before the state issues another series of bonds for capital projects.

The 94-64 vote to take the capital gains tax out of the package dealt more of a psychological than fiscal blow to the $1.2 billion tax package, which if passed was expected to raise $626 million by the end of the current fiscal year.

"We really have to keep working at it," Gov. Dukakis said, leaving the State House after the House session

DEBATE, Page 8

More on tax debate

- ■ After paring the proposed increase, House leaders are looking for ways to expand the base of the sales tax. Page 8.
- ■ Citizens for Limited Taxation plans to use the ballot to roll back state tax or fee increases. Page 7.

Health insurers plan to boost rates 10-20%

By Charles Stein
GLOBE STAFF

Massachusetts employers, already burdened by a weak economy and the prospect of higher taxes, have more bad news to look forward to: another round of double-digit price hikes for health insurance.

The state's major health insurers say they expect to raise group rates by anywhere from 10 to 20 percent on Jan. 1. Health maintenance organizations are at the low end of the range with projected hikes of 10 to 13 percent; Blue Cross-Blue Shield of Massachusetts predicts increases of 18 to 20 percent for its traditional group product.

Faced with those soaring medical bills, companies are likely to ask workers to shoulder an ever-growing share of the burden, say insurers. Some companies may take even more Draconian measures, such as dropping insurance altogether or providing insurance for workers but not their families.

INSURE, Page 21

h insurers plan 10-20% rate boost

from Page 1

frightening,” said Nancy ll, the state's deputy insur- commissioner, who predicts a in the number of uninsured and derinsured people in Massachu- etts.

Health insurers produce a familiar list of culprits when asked to explain the latest price increases: higher hospital costs, greater use of outpatient services and diagnostic tests, and a continued shifting of costs from the government to the private sector. “Basically we are all subject to the underlying inflation in medical care,” said Alan Raymond, a vice president at the Harvard Community Health Plan.

Harvard, the state's largest HMO, is telling companies to expect a 12.5 percent increase in rates next year. Businesses in that plan will pay about $360 a month to provide family coverage for an employee.

Other HMOs, including Bay State Health Care in Cambridge, Pilgrim Health Care in Norwell and Fallon Community Health Plan in Worcester, are raising group rates between 10 and 12 percent, according to company officials. Their monthly rates for family coverage will range from $265 to $390.

For Blue Cross customers the numbers look worse. The latest hikes will put the cost of family coverage at about $500 a month. Over the past two years, Blue Cross accounts have seen their bills rise close to 50 percent. “This is very serious,” conceded Joseph Driscoll, a senior vice president.

Driscoll said Blue Cross was being hit hard by adverse selection, a process by which older, sicker people choose the kind of traditional insurance coverage Blue Cross offers. Driscoll said a growing number of customers were opting for Blue Cross' alternative plans: HMOs and also PPOs, health plans that restrict patients to an approved network of doctors.

Even in good times, double-digit price increases would be hard for businesses to swallow. “But with the soft economy, the hikes are going to meet with more resistance than ever,” said Robert Hughes, executive director of the Massachusetts Association of HMOs.

The practice of shifting medical costs to employees is already widespread. Nynex Corp. employees were recently on strike for three months to stop the telephone company from making them pay a portion of their health insurance costs. The Nynex workers won, but they are the exception, say employers. “More and more companies are going to be asking workers to pay,” said Richard Mastrangelo, a vice president with Associated Industries of Massachusetts, a business trade group.

Turnbull thinks some employers will go still further. She has received calls from workers whose companies have made the following offer: We will pay for your health insurance, but if you want your family covered, you will have to pick up the difference yourself. The difference, said Turnbull, can amount to several thousand dollars a year.

“For people in lower-paying service jobs, paying that kind of sum is impossible,” she said.

121

ian stalls tax plan; s hike is voted down

TE

ed from Page 1

at 9:15 p.m.

Moments before the vote to keep e capital gains tax at its current 5 percent level, rather than raising it to 7.5 percent, Keverian offered his membership a deal: Vote to keep the capital gains tax increase in the package and he would throw his support behind several amendments to soften its impact, one of which would have put the tax into effect on July 1, 1990, instead of retroactive to Jan. 1, 1989.

Despite Keverian's personal plea, 63 Democrats voted with Keverian to keep the tax increase; 63 voted against, along with 31 Republicans.

The loss of the capital gains vote compounded a decision by Keverian late Thursday to lower his expectations for raising the sales tax because of objections from some of Keverian's strongest supporters on tax matters. Instead of raising the sales tax from 5 to 7 cents on the dollar, thereby earning an additional $390 million for state coffers, Keverian agreed to raise it just one penny.

The result was a tax package with $290 million of the $626 million that could have been raised gone.

According to Senate Ways and Means chairwoman Patricia McGovern (D-Lawrence), the state's budget deficit could be as high as $850 million. Her committee is considering a package of budget cuts and savings, worth between $300 million and $350 million, leaving a deficit of $500 million.

Members of the administration have said that they have been warned by Wall Street bond rating agencies that unless the state puts its financial house in order, the agencies will consider dropping the state's bond rating further before the state tries to sell $200 million worth of bonds for capital projects in mid-December.

If a tax package passes the House in any form, additional tax revenues can be added by McGovern or on the Senate floor.

The tax package, as presented by the House Ways and Means Committee Wednesday, called for the 50 percent hike in the capital gains tax retroactive to January 1989, as well as a 40 percent increase in the sales tax from 5 to 7 percent, a 10 cent per gallon increase in the gasoline tax over the next two years, and a sales tax on utilities.

Majority Leader Charles F. Flaherty (D-Cambridge) initially tried to lead the fight to keep the capital gains tax hike in the proposal, but he was up against strong opposition from members of the business community, Republicans and many of his colleague's constituents.

Flaherty argued that 10.8 percent of the state's tax filers pay capital gains tax and 20 percent of the capital gains in the state are earned by residents who make more than $1 million a year.

But Republicans said Flaherty's figures were misleading since they do not reflect the thousands of middle- and working-class residents who place their retirement funds or small business earnings into stocks and bonds. In addition, they argue, it takes away incentives for businesses to locate in Massachusetts.

"There is nothing more shortsighted," said Rep. Lucile Hicks (R-Wayland). "We may as well put Massachusetts in a tub of hot water and open a vein."

Several members lingering outside the House chamber at the end of the night said they have never seen the kind of nastiness that has surrounded the tax debates this year. One said he received a threatening phone call from a man who said he would burn the representative's house down.

Bridge plunge toll at 4

12/2/85

Daily Evening Item

By DAVID LISCIO
Item Staff

SALEM — The death toll resulting from the Friday morning crash of a car into the icy Danvers River rose to four with the death of a 2-year-old boy at a Boston hospital last night.

Manuel Edwards of Peabody died between 11 and 12 p.m. Friday at New England Floating Hospital, a hospital official said.

The 2-year-old boy, his cousins, Timothy McMann, 2, sister Jamie Edwards, 4, and their grandmother, Doris Edwards, 56, of Beverly were killed when their their car crashed through a wooden guard rail on the Kernwood Bridge, reportedly after the driver attempted to pass a backhoe.

The driver, a Peabody resident also named Doris Edwards, 20, was listed in good condition this morning at Salem Hospital. Hospital Spokeswoman Kacey Connor said Edwards was conscious, alert and her vital signs stable. The younger Edwards' son, Manuel Edwards, 2, had been airlifted from Salem Hospital to Floating Hospital in Boston for treatment.

Salem Hospital spokeswoman Kacey Connor said McMann and Manuel Edwards went into cardiac arrest after the crash. Doctors working feverishly on Manuel were able to restart his heart after about three hours.

Police said the children in the car were also from Peabody. McMann was a neighbor of the younger Edward's family, police said.

The crash occurred about 8:30 a.m. on the span, which connects Salem and Beverly, police said.

The younger Doris Edwards lost control of her car, which spun out of control and crashed through the guard rail into the Danvers River.

Bridge tender Paul Jodoin of Lynnfield was inside the wooden shack on the bridge when the accident occurred. Jodoin recalled that a backhoe passed by followed by other vehicles. "The backhoe was going slow and it seemed like some of the other cars were going to pass it on the bridge," he said. "But I wasn't really looking. The next thing I knew, a car was in the water. I didn't really see what happened."

A Salem police diver reached the victims after they had been in the water about 25 minutes. Divers entered the water just after 9 a.m. and quickly recovered the children, two of whom were floating in the submerged car and the third of whom was strapped into a child restraint seat. Ambulances standing by whisked the limp children to Salem and Beverly Hospitals.

The older woman was floating face down upstream from the

ACCIDENT, Page 8

Above, police and rescue workers hold one of three children who died after their car plunged into the Danvers River Friday. Below, a view of the section of railing through which the car plunged. The Beverly shore is in the distance.

Item photo: Bob Crosby

Bev Times 12/4/89

Heroes in a tragedy

Doris Edwards, 20, of Peabody has suffered a horrible loss.

Her mother, also Doris Edwards, of Beverly, and three children died when the younger Doris Edwards' car jumped the wheel guard on the Kernwood Bridge and plunged into the frigid water of the Danvers River on Friday morning.

The words here won't console the young mother.

Our mission here is to note the heroic efforts of the many men and women who attempted so hard to save the lives of Doris Edwards, 56, Jamie Edwards, 4, Manuel Edwards, 2½, and Timothy McMahon, who turned 2 the day before the accident.

First, credit goes to the rescue personnel, about 100 of them, who converged on the bridge that connects Beverly and Salem almost immediately after the accident was reported to police.

They pulled the younger Doris Edwards as she clung to a bridge piling in the water. Rescuers found the older Doris Edwards floating unconscious several feet upriver from the bridge because of the strong current from the incoming tide.

It was that strong current and the frigid water that made the efforts of Salem police divers Dennis Burgess and Peter Shaffaval particularly heroic.

Into the 36 degree F water they went to search the car for Jamie and Timothy, the younger Doris' daughter and son, and Manuel, Doris' nephew. They found two then another, and in the process Burgess injured his shoulder; both Burgess and Shaffaval were later treated at a hospital for exposure.

Second, credit is due to the paramedics who whisked the victims to Beverly Hospital and Salem Hospital. It was not the usual injuries of a car accident that they had to deal with in this case, it was the effects of drowning, cardiac arrest and the hypothermia, the dramatic loss of body temperature, that put their lifesaving abilities to the highest test.

Third, credit is due to the medical personnel at Beverly and Salem hospitals, in the Med-Flight helicopter, and at Floating Hospital for Infants and Children in Boston.

They too had to contend with the cardiac arrest and the hypothermia.

Beverly took the grandmother and Jamie, while Salem took the mother, Manuel and Timothy.

Upon arrival at the hospitals some of the victims' had body temperatures that had dropped to 80 degrees. Normally, the body has a core temperature of 98.6 degrees.

Sometimes hypothermia in drowning victims can be an ingredient to survival. Cases are well documented, especially with children, when extremely cold water has slowed down their body functions, reducing the damage from being submerged in water for a half hour or more.

In Manuel Edwards' case, medical personnel at SalemHospital were able to raise his body temperature enough to allow his transfer by helicopter to the hospital in Boston.

Unfortunately, the hypothermia in these cases was a killer.

In the aftermath of this tragedy, attention naturally turns to its cause.

As attention is focused on Doris Edwards, how fast she was going, and how she skidded on the metal grate of the swing bridge that frigid morning, we hope another good look is given to the bridge itself.

State highway engineers insist that the wooden wheel guards – 16 inches high and 16 inches thick – are sufficient enough to block a car from crashing through into the water.

But this accident isn't the first to have a car crash through the wheel guards. A similar tragedy almost happened in August when a car crashed through the wheel guards and teetered over the water for 40 minutes. Luckily, the driver was saved from the water.

We think highway safety engineers should give that structure another look. Four lives lost and a shattered fifth life deserve at least that much.

Bridge accident survivor released from hospital

Daily Evening Item
12/4/89

SALEM — The sole survivor of the Friday morning automobile accident on the Kernwood Bridge that left four dead was released from Salem Hospital this weekend, as investigators tried to piece together the details of the tragedy.

The survivor, Doris Marie Edwards, 20, told relatives she lost control of her vehicle on a 3-foot-wide ice patch on the bridge Friday morning at 8:10 a.m. while trying to pass a slow-moving sander. However, police and highway officials have said the bridge surface was free of ice at the time.

The last of three children killed in the accident died early Saturday morning. Manuel Edwards Jr., 2, of Beverly, Edwards' nephew, had been flown from Salem Hospital to the Floating Hospital for Infants and Children in Boston because his condition had improved slightly.

The boy's mother, Tina Marie Sungy, was at her job at Eastern Bank on Union Street at the time of the accident.

Also killed in the accident were Edwards' mother, also Doris, 57, and Edwards' two children, Timothy McMahon Jr., 2, and Jamie Lee Edwards, 4.

The Mercury Monarch Edwards was driving was removed from the water Saturday morning. The car spun around completely, cleared a 16-inch-high wheelguard, and plunged into the 38-degree Danvers River.

Edwards was rescued by a life jacket tossed by bystanders, while her mother was found floating face down farther down the river.

The women spent about 15 minutes in the water, but the children were not recovered until they had been submerged for about 45 minutes in the 18-foot deep water. Recovery of the children was delayed because divers did not know about them until Edwards mentioned the children while en route to Salem Hospital.

Doris (Perry) Timmons Edwards, 57, 23 Wellman St., Beverly, was born in Peabody, daughter of the late Manuel and Olympia (Santos) Perry. She lived in Beverly most of her life before moving to Beverly a month ago.

She was the wife of Harold Edwards of Beverly and was the wife of the late Gordon Timmons, who died in 1965.

She also leaves three sons, Robert Armstrong, Gordon Timmons and Manuel Edwards, all of Beverly; three daughters, Mrs. Marie Eugenio of Salisbury, Doris Edwards of Peabody and Shirley Edwards of Beverly; four brothers, Abel Perry of Beverly, Alberto and John Perry of Peabody and Arthur Perry of California; five sisters, Mrs. Ida Cotoni, Miss Rose Perry and Mrs. Mary Texeira, all of Peabody, Dorothy Sharkey of Lynn and Ann Mendonca of Portugal; three grandchildren and many nieces and nephews.

Jamie Lee Edwards leaves her mother, Doris Edwards of Peabody, and her father, Edwino Silveira, of Salem. She was enrolled in the Headstart program at the Peabody Public Schools. She also leaves her maternal grandfather, Harold Edwards of Beverly; her paternal grandparents, Manuel and Anna Silveira of Hanford, Calif.; and many aunts, uncles and cousins.

Timothy Lee McMahon Jr. leaves his mother and father, Doris Edwards and Timothy Lee McMahon Jr. of Peabody; his paternal grandparents, Donald and Barbara McMahon of Peabody; his maternal grandfather, Harold Edwards of Beverly; his paternal great grandmother, Dorothy McMahon of Peabody; and several aunts, uncles and cousins.

Manuel Edwards Jr. leaves his mother and father, Manuel J. Edwards and Tina Marie Sundy of Beverly; his maternal grandparents, Bruce and Clarice "Bunny" MacArthur of Beverly; his paternal grandfather, Harold Edwards of Beverly; his maternal great-grandparents, Richard and Florence Bertone of Seabrook, N.H., and several aunts, uncles and cousins.

A funeral for the four will be held Wednesday at 9 a.m. in the Conway Funeral Home, 12 Chestnut St., Peabody, followed by a mass at 10 a.m. at St. John's Church, Peabody.

Burial for Doris Edwards, Timothy McMahon Jr. and Jamie Lee Edwards will be in St. Mary's Cemetery, Salem; Manuel Edwards Jr. will be buried in Bennington, N.H.

Dukakis hints of withholding $1b in local aid

Boston globe 12/5/89

By M.E. Malone
and Bruce Mohl
GLOBE STAFF

Gov. Dukakis all but threatened yesterday to vithhold a $1.1 billion local aid payment due to ities and towns Dec. 31 unless the Legislature pproves new taxes in the next four weeks.

In addition, he said that the state will not go o the bond market this month as initially scheduled to borrow $175 million for capital projects nless there is new revenue to ensure the loan's epayment.

"It's very clear we can't meet our responsiilities at the state or local level without addiional revenues," Dukakis said, raising the ante or House members who have been reluctant to aise taxes. "It's tough to vote taxes ... but ve're not sent up here to make easy votes."

■ Other stories on the Massachusetts fiscal battle, Pages 32-34.

Municipal leaders reacted angrily to Dukakis' words yesterday, saying that withholding local aid would result in bankruptcies and massive layoffs of teachers, police and firefighters. Cities and towns already have had their state aid payments cut once this year.

Treasurer Robert Q. Crane took the teeth out of the governor's remarks, saying that the state will have the cash to make the local aid payments without a tax package and that the aid would be withheld only if the governor orders it frozen.

"We think we'll be able to take care of the cities and towns. I guarantee it," he said.

Crane hopes to enlarge a $500 million line of credit with a Japanese bank to $1 billion to deal with the immediate cash flow problems, and he said he intends to go forward with the $175 million bond sale.

At a news conference, the governor tried to impose a deadline on the Legislature, saying that the state's estimated $800 million deficit should be resolved by the end of the month.

"We can't delay it any further," Dukakis said. "We're not going to have people freezing on the streets of Boston this winter."

But House and Senate leaders, who met with Dukakis for 90 minutes in Senate President

TAXES, Page 26

Callers threaten state lawmakers

By Renee Loth
GLOBE STAFF

Just before she sat down to dinner on Thanksgiving day, four-term Rep. Frances F. Alexander (D-Beverly) got a telephone call at her home that would ruin anyone's appetite.

"I hope you're enjoying your turkey," the anonymous caller said. "I hope they assassinate you and all the other Democrats."

The caller apparently did not know or did not care about the fact that Alexander had said she would be voting against the tax package that has stoked the public's anger to a white-hot heat. He hung up before Alexander could respond.

Legislators of all political stripes yesterday reported hearing in recent days from citizens who seemed in a blind rage over proposed tax hikes. Callers were profane, abusive, physically threatening and indiscriminate, seeming not to care whether their representative had been for or against the tax package.

THREATS, Page 26

kis hints of withholding aid

ued from Page 1

William ger's office, were not optimistic that a consensus could be reached in the four weeks remaining in 1989.

"It would be very, very difficult to achieve," the Senate Ways and Means chairwoman, Patricia McGovern (D-Lawrence), said after the meeting.

House Speaker George Keverian (D-Everett) also doubted the ability of the Legislature to agree on a course of action to resolve the budget deficit by the end of the month.

Keverian, who withdrew his $1.2 billion tax package Friday night when House members voted against an increase in the capital gains tax, said yesterday that the package will have to be "redefined, resubmitted" – perhaps as early as next week.

Asked if he was "lining up his ducks" for a new tax package, Keverian quipped: "Our ducks are in line. They're just dead."

The alternative, he said, is to cut the budget further, which cannot be accomplished without slicing local aid.

"We are not without ideas," Keverian said without elaborating. "We are determined to fashion something that is acceptable to the membership," although he said he doubted it would happen this week.

McGovern, after the meeting, said there was not "that level of specificity" regarding a new tax package. "I wish I could tell you there was a plan."

Battle began in January

The battle over the fiscal 1990 state budget began in January when Dukakis proposed a $600 million tax increase that was nixed by House leaders before it came up for a vote. Since that time, taxes have been raised once – on a temporary basis – and leaders have continued to grope for better solutions to the problem of little revenue growth and rising costs.

The latest round has been fought in the last five weeks over the need to close an estimated $800 million gap, in part with additional budget savings and in part with additional revenues.

McGovern said her committee plans to vote Thursday on a $368 million package of spending cuts and nontax revenue measures passed by the House last month. She said yesterday that the final package offered by her committee is likely to raise or save about $300 million, but that taxes will be needed to fill the gap.

Bulger objects to sports betting

Likewise, Bulger insists on the need for more revenues but objects to several items in the House savings plan, including the call for some legalized sports betting to help resolve the state's financial problems.

"I don't think it's a very good idea," he said. "The revenues it comes to are negligible. . . . There's no reason to do it."

The Senate is also preparing to unveil a series of proposals this week aimed at changing the way that the state pays for Medicaid, debt service, insurance for its workers, mass transit and state pensions, the so-called budget busters that are absorbing most of the growth in the state's spending plan.

"There has been a call for some meaningful change," Bulger said. "I think that's the chief value in this."

Bulger would not criticize the House leadership for its failure to win support for the tax-increase package, saying that it would be counterproductive to do so.

But throughout the State House yesterday, there were many Monday morning quarterbacks with opinions on how the House leadership should have acted Friday to avoid political defeat.

Keverian meets with supporters

A group of about a dozen of Keverian's loyal chairmen and rank-and-file supporters met with the speaker for nearly two hours yesterday, mostly venting their anger at the way events unfolded during Friday's session.

Rep. Nicholas Paleologos (D-Woburn) said there were "no real resolutions" during the meeting about where to turn next. Instead, members expressed frustration over the way that "Republicans and some Democrats set the agenda and framed the debate. There were others champing at the bit to get to the floor and point at the hypocrisy of their statements," he said.

Dukakis, who has been criticized by some for his administration's failure to lobby aggressively for the House leadership's tax package, made phone calls of encouragement yesterday to several representatives who favor a tax increase. Rep. Patricia G. Fiero (D-Gloucester) described the phone conversation as a "keep the faith" pep talk.

Mindy Lubber, the governor's press secretary, said that Dukakis has lined up meetings with dozens of House members this week, including those who are in favor of new taxes and others who are "in the middle."

Callers threaten legislators

■ THREATS
Continued from Page 1

At least one member of the House leadership said the calls represent sufficient anecdotal evidence for him that the state's climate is too hostile to sustain any tax increase this year.

"Under no circumstances do I see a tax measure getting enacted through the House this year," said Rep. Stephen J. Karol (D-Attleboro), who had been prepared to vote for new taxes before House Speaker George Keverian withdrew his tax plan under fire Friday night.

Karol, chairman of the House Transportation Committee, said calls to his office have been "nastier and more threatening in a physical sense than ever before. We got one call from a woman who said she was coming up here after us with a gun and a sickle."

Rep. Francis G. Mara (D-Brockton) said secretaries in his office were in tears last week over a barrage of abusive and obscene calls.

"We just saw the underbelly of human nature last week," said Mara, who opposes new taxes and voted Friday to kill a proposed increase in the capital gains tax. "I can understand people's frustration, but I never expected people to be that base."

The wife of one member of the House leadership, who was fearful of being identified by name, received a call from an anonymous man who said he had a gun aimed at her husband's head.

Rep. Nicholas A. Paleologos (D-Woburn) said an anonymous caller had threatened to burn his house down.

Rep. Thomas P. Kennedy (D-Brockton) reportedly received a call on his answering machine from someone wishing he would fall out of his wheelchair if he voted for new taxes.

And Rep. Patricia G. Fiero (D-Gloucester) said one caller threatened to take a chainsaw to her house. "I think it's too bad that we're a society that communicates with such images," said Fiero. "It says a lot about our television diet."

Other legislators complained that the media – television, radio and newspapers alike – have been irresponsibly fueling the tax revolt by reporting on a relatively small amount of waste and abuse in government while failing to emphasize the popular services that consume the lion's share of taxpayer money.

"I tag it up to a great deal of irresponsible journalism," said Mara. "There's very little written about what the true fiscal situation is."

Many legislators sounded the familiar theme of blaming Gov. Dukakis for their political woes, but there seemed to be little consensus over whether he had been too visibly associated with the tax increase or not visible enough.

Threat to cut aid ignites local fury

Salem news 12/5/89

A News staff report

BOSTON — Peabody Mayor Peter A. Torigian Monday warned an all-out battle if Gov. Michael S. Dukakis and lawmakers follow through with threats to make further cuts in local aid.

"If they're saying the people of the cities and towns of the Commonwealth are going to have to pay the price" of the state's continuing deficit, "I suspect it's going to be a very lonely place at the Statehouse," Torigian said.

In Ipswich, Town Manager George E. Howe told Selectmen Monday night the proposal was "crazy" and it was bad enough trying to live with the cuts already made in state aid.

Selectman William E. George added, "This latest threat —withholding even more money to cities and towns — is ludicrous. I would say more, in private. I'm very distressed."

Howe is expected to submit a budget next week that will be $1 million over the tax limits of Proposition 2½ as the town prepares either to slash budgets or to call for an override of tax-limiting law.

Dukakis, meeting with reporters, raised the possibility of withholding local aid when he said the state would not borrow later this month without new revenues. Some of the borrowing is needed to cover the $1 billion in local aid the state as scheduled to disburse by Dec. 31.

"You can't borrow without the revenues" to pay back the loan, the governor said.

In a stunning defeat for both the governor and House Speaker

AID
(Continued on Page 8)

feated an increase by 30 votes

'With all the cynicism out there, I think we're discouraging a lot of talented people from even considering public service.'

Rep. Larry Alexander

'If anything, I hope this will spur more people, young and otherwise, to become involved.'

Rep. Peter Torkildsen

Politicians argue budget battles' effect on young

A News staff report

BOSTON — The seething anti-government sentiment that helped defeat last week's tax hike proposal could also discourage young people from entering public service in the future, Rep. Lawrence R. Alexander, D-Marblehead, warned Monday.

But Rep. Peter G. Torkildsen, R-Danvers, one of Alexander's foes on the tax issue, took a different view, arguing the tax debate would spur more people to become active in public life.

Alexander, who favors a tax increase to help close the state's budget gap, said he worried about the

POLITICIANS
(Continued on Page 8)

But Rep. J. Michael Ruane, D-

(Continued from Page 1)

everian, House mem- used Friday to go along a $1.2 billion tax hike pro- ed by the leadership.

Dukakis Monday mentioned local aid several times in renewing his call for new taxes. The governor said a tax package is needed before the end of the year, along with more spending cuts, to close the $825 million budget gap.

"We can't meet our responsibilities to the state or at the local level without the additional revenues," he said.

Legislative leaders also hinted that cuts in aid might be part of their latest deficit reduction plan. "If we have as much as $600 million in cuts, local aid is not one of the areas protected," said Keverian.

Torigian, who recently completed a one-year term as president of the Massachusetts Municipal Association, led cities and towns earlier this year in protesting the governor's veto of $210 million in local aid.

Despite those cuts, he said municipal officials were willing to work with the state to solve the fiscal crunch.

But if there is a move to cut more aid, he said, "The people of this state are not going to stand for it. The people of this city (Peabody) are not going to stand for it."

"We have no other way of raising taxes by statute than the property tax. If what they're saying is 'We can't get our house in order, we're going to take back all your local aid, you're going to have to override the most regressive tax there is,' that's unfair,' " he said.

"I for one am not going to sit back and take it," the mayor added.

Torigian said he was annoyed that local officials were expected to lead the charge for a tax hike when the House on Friday defeated an increase by 30 votes. "They've got to get their own House in order," he said.

His comments came on a day in which a flurry of meetings on Beacon Hill among the governor and top lawmakers failed to yield a consensus on how to resolve the fiscal crisis.

Despite the stunning collapse of the House's leadership's tax plan last Friday, the governor and top lawmakers were still holding out hopes of pushing through a tax plan by the end of the year, together with more cuts.

Keverian noted wryly, "My ducks are in line" for a tax hike. "They're just dead."

More seriously, he said, "We're certainly going to make every effort to continue to work on how to resolve the deficit this week or next, certainly before the end of the year."

Senate Ways and Means chairwoman Patricia McGovern, D-Lawrence, said, however, a consensus on the budget would be "very, very difficult to achieve" before the end of the year.

McGovern said her committee plans to act on the $365 million House budget cutting plan Thursday. But it will only provide for about $300 million in cuts, about $500 million short of closing the gap. Her panel will also propose long-term savings in the "budget busting" accounts, including Medicaid, but those will likely not affect the fiscal 1990 budget.

Several local lawmakers are skeptical any deficit plan involving taxes would make it through the House this month.

"I think the likelihood of a tax plan going through the House by the end of the year is slim to none," said Rep. Thomas P. Walsh, D-Peabody. "The comments the Speaker had in the paper this morning about severe cuts are more of a reality than the adoption of a tax package," he said.

"It would be absolutely absurd to bring out a tax package again," said Sen. Frederick E. Berry, D-Peabody. "It doesn't matter what tax it is. The word 'tax' intimidates everyone."

But Rep. J. Michael Ruane, D-Salem, said he would not be surprised to see a tax hike sold to the membership. "Stranger things have happened before behind closed doors," he said, predicting that promises would be made to lawmakers in return for their votes.

ICIANS

(Continued from Page 1)

e of the rhetoric employed by tax opponents.

ly wonder what college s must think now. In my there was something noble at entering public service,” exander said.

“With all the cynicism out there, I think we’re discouraging a lot of talented people from even considering public service,” he said.

But Torkildsen, who opposes a tax hike, said he did not share Alexander’s pessimism.

“If anything, I hope this will spur more people, young and otherwise, to become involved,” said Torkildsen, a candidate for lieutenant governor.

“My best guess is that while some people will be turned off, most people will become more active in at least taking the time find out how (their legislators) voted or stand on some issue,” Torkildsen said.

Despite his strong opposition to higher taxes, Torkildsen said in some cases, opponents had carried their message to an unfortunate extreme.

“As far as I’m concerned, anyone who wants to express their disappoinment can and should. But there’s nothing that’s been done to ever warrant a threat of violence. I would strongly object to that.”

Torkildsen was referring to reports that at least one House member received a death threat from a caller during last week’s tax debate. Other members have been threatened with tire slashings and other acts of vandalism.

Alexander, who received a harassing phone call this past weekend from a tax opponent, said he believes Democrats and Republicans alike will suffer in the long run if reasonable attitudes about government are not restored.

“The same kind of ideal of public service as a noble profession got (House Republican leader) Steve Pierce to enter government (as it did) progressive Democrats,” he said.

He said the perception that all politicians are hacks or crooks “is going to mean future generations are not going to have the same caliber of people working in government.”

“The criticism of all those anti-government voices will become a self-fulfilling prophecy,” he said.

Alexander pointed to a recent conversation he heard on a radio talk show as an example of how unfair perceptions of government are being spread.

He said he happened to be listening on his car radio to the Pat Whitley show on WHDH Radio when an elderly caller declared that “when legislators make laws they profit from them.”

Rather than challenging or questioning the caller’s claim, Whitley “let her make her statement and then said, ‘You know they (lawmakers) also take a six-month vacation,’ ” Alexander said.

“I have to tell my wife and kids about the six month vacation,” Alexander said. Lawmakers in general work year-round, he said, though they are not always in session.

To allow that kind of discussion to occur without any counterbalancing is irresponsible, Alexander said.

AtlantiCare picture brightens

Daily Even. Item 12/4/89

AtlantiCare Medical Center took a solid step toward financial recovery last week with the successful sale of $36 million in bonds.

It is heartening news that the bonds sold out, because the recapitalization will allow the hospital to complete renovations and refinance its old debt at a lower rate of interest. A more positive outlook for AtlantiCare is one of the best Christmas presents which those who work there could receive. Further, it is reassuring to everyone who has a stake in the city's future.

That the worst days of the city's most important institution and second largest employer may be behind it is a hopeful development of the highest order.

Dukakis: Look past 'budget buster' cuts

Boston Globe 12/5/89

By Bruce Mohl
GLOBE STAFF

Gov. Dukakis warned yesterday that attempts to restructure five major spending programs will not solve the state's immediate fiscal crisis.

Senate officials are preparing to unveil initiatives this week to curtail the dramatic growth of Medicaid, pension costs, health insurance for state employees, debt service and the state's share of the costs of the Massachusetts Bay Transportation Authority.

The five accounts have been nicknamed the "budget busters" because they dominate the rest of the state budget. This year alone, they account for more than a third of state spending and are expected to consume an even larger chunk of next year's budget.

Dukakis said his fiscal 1991 budget, due in January, will propose measures to rein in spending for each of the budget busters and other state programs, including local aid and education.

"But that isn't going to solve the immediate problem. At best, it's going to bring the fiscal 1991 budget into balance," he said.

Dukakis said new taxes are needed to eliminate the estimated $800 million deficit facing the state for this fiscal year.

Sen. Patricia McGovern (D-Lawrence), chairwoman of the Senate Ways and Means Committee, plans to announce savings initiatives for all of the budget busters on Thursday, when her committee votes on a package of spending cuts and nontax revenue measures.

On the set of Salem Hospital's cable television program "Focus on Health" with from left, David J. Martini, M.D.; host Brian Wallin; Bethann Baskies; George L. MacDonald, Jr., M.D., chief of general surgery; Janice Severance, and Frederick O. Buckley, Jr., M.D. discussing "Surgical Options in Breast Cancer", a very special edition of the program.

Breast Cancer Options To Be Presented on TV

SALEM — A very special 60-minute edition of Salem Hospital's and Continental Cablevision's health information program "Focus on Health" will feature an indepth discussion of "Surgical Options in Breast Cancer". The program brings together three surgeons, a psychiatrist and two women patients who have experienced breast cancer in a candid discussion of treatment options and their implications.

Appearing as guests on the program hosted by Brian Wallin are psychiatrist Howard E. Abrams, M.D. of Swampscott; Salem Hosptial Chief of General Surgery George L. MacDonald, Jr., M.D. of Marblehead; Frederick O. Buckley, Jr., M.D. of Swampscott, and David J. Martini of Beverly.

The special edition of "Focus on Health" will be broadcast on Continental Cablevision Channel 9 on March 13, at 7:30 p.m. and on Warner Cablevision on March 16, at 8:30 p.m. and on March 17 at 6:30 p.m. on Warner Channel 13.

Bev Times 12/15/89

Fiscal planners meet with MMA member

IPSWICH – The Finance Committee will hold a joint meeting tonight with the Board of Selectmen and the School Committee to discuss the town's pending budget crisis with a representative of the Massachusetts Municipal Association.

Mary Kate Sampson, an MMA staff member, is expected to provide town officials with insight into the current workings in the Statehouse, said Town Manager George Howe.

Long before the state cut this year's local aid funding and promised similar action in the future, Howe predicted the town's budget shortfall to be greater than $1 million in fiscal 1991.

Howe said Sampson may provide town officials with ideas on how to deal with the ever-changing news that trickles down daily from Beacon Hill as they attempt to prepare next year's budget.

Rowley and Topsfield officials have been invited to attend as well.

Sweet Impressions

Mark Tetrault photo

Holiday happening

12/5/89 Bev Times

Judy Norwood sells a chance to Barbara Ober, an employee at the Beverly Hospital, at the choose-a-raffle table as part of the hospital's Christmas Fair "The Holiday Happening" held Friday.

The Massachusetts tax debate

Local officials say aid cut would lead to bankruptcies

BOSTON GLOBE 12/5/89

By Bruce Mohl
and Frank Phillips
GLOBE STAFF

City and town officials say their services would be slashed dramatically and many municipalities would be forced into bankruptcy if the cash-strapped state reneges on $1.1 billion in promised aid this month.

"You would be talking bankruptcy for every city and town in the commonwealth," said Sheila Cheimets, executive director of the Massachusetts Municipal Association.

This month's local aid payment is the first of two this fiscal year. The state money represents an average of 30 percent of each community's budget, with some municipalities depending on state aid to a far greater degree, Cheimets said.

State Treasurer Robert Q. Crane said he is prepared to tap a Japanese line of credit to pay the December installment of the local aid bill and would hold back only if Gov. Dukakis uses his powers to prohibit release of the funds.

Dukakis cut the local aid budget by $210 million in July when he signed the overall state budget. Cities and towns had based their spending levels for the year on the aid figures in effect before the cut.

"I don't think you realize how much anger this is causing out there," Cheimets said. "We're really talking about ragtime."

Several city and town officials shared Cheimets' anger over Dukakis' suggestion that local aid may be on the chopping block if no new taxes are approved.

At Boston City Hall, Robert J. Ciolek, acting director of administrative services, reacted with disbelief: "Lord, I don't even want to think about it. ... I simply can't believe that they will put city government out of business."

If the December aid allotment is eliminated, Boston would lose $178 million, which is 14 percent of the city's budget or enough money to run the city for seven weeks. State aid to Boston was slashed by $21 million in July.

"This is money that is owed to the people of the city of Boston," Ciolek said. "Cities and towns did not get the commonwealth into the fiscal crisis it currently is experiencing and, in fact, they have already taken a disproportionate cut this year."

Newton Mayor Theodore Mann also said that cities and towns should not bear the burden of the state's problems. "To even threaten us with that because they can't get their house in order is reprehensible," he said. "We have not been part of the problem. They've already cut our hearts out and are placing the burden on the back of the property-tax payers."

Donald R. Marquis, town manager of Arlington, accused Dukakis of trying to drum up political support for a tax package by squeezing cities and towns.

"I'm sorry the governor and the speaker continue to use cities and towns as political pawns," Marquis said. "That's the game they have been playing way back earlier this year. It's obviously wrong and unfair."

Marquis said municipal officials have been forced to sharply cut their budgets while the state has not seriously cut its spending.

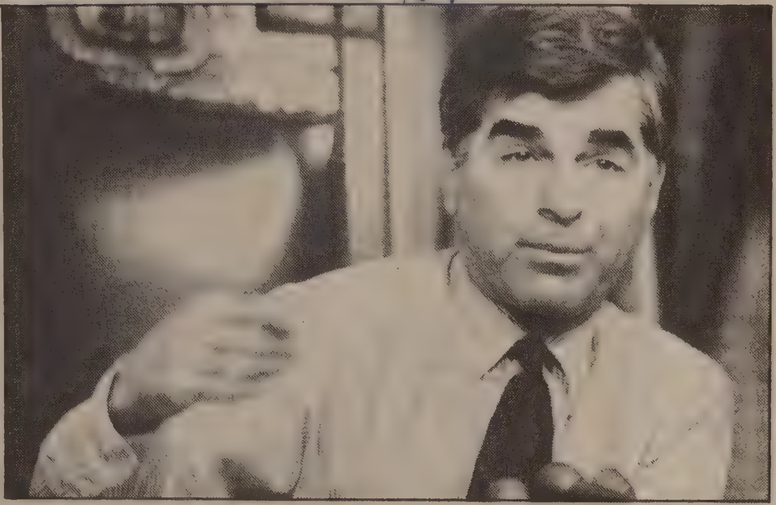
"It's incredible what's happening at the State House. We're the laughingstock of the country," he said. "But we [municipal officials] didn't start this. It's the state officials who spent money they didn't have."

Marquis said the December payment would amount to about $4 million for Arlington. He said that if the funds are not advanced to the town, he would have to borrow the money, a move he said would cost Arlington about $240,000 in interest costs.

Robert Healy, city manager of Cambridge, which is expecting a $10 million check from the state this month, said he would wait to make a judgment until the administration clarifies its position.

"I'm not a cry wolf sort of guy so, until I know what they plan to do, I don't want to go too far in criticizing them," Healy said. "I understand that they have to pull out all of the stops. The problems they are facing aren't as simplistic as some people make it out to be."

Globe reporter Brian Mooney contributed to this story.



GLOBE STAFF PHOTO / FRANK O'BRIEN

Gov. Dukakis talks about efforts to put together a tax package after meeting with House Speaker George Keverian, Senate President William Bulger and the heads of the Ways and Means committees.

Students dump protest letters outside Harvard Law dean's office

By Anthony Flint
CONTRIBUTING REPORTER

Unrest at Harvard Law School continued yesterday as disgruntled students marked dean Robert C. Clark's 100th day in office by dumping 813 protest letters at the door of his office.

Clark, who became dean earlier this year, has been under fire for eliminating the school's public interest career counseling office, which steered future lawyers toward jobs as public defenders or attorneys for environmental or tenants groups.

The letters delivered to Clark's office yesterday afternoon concentrated on a recent interview with The Harvard Crimson, the student newspaper, in which Clark defended his actions and downplayed criticism against him.

Most students "don't seem that concerned with it," The Crimson quoted Clark as saying, as he described what he viewed as dwindling opposition about the elimination of two public interest counseling positions.

"Does the dean need a daily, noisy student vigil under his window to understand the seriousness of people's concern about this issue?" said John Bonifaz, a first-year law student who said students only seemed quiet because they had agreed to study the issue with the administration, at Clark's invitation.

Clark, who was unavailable for comment yesterday, has said the school continues to promote public interest work but in more efficient ways. Students reject that notion, and say Harvard is becoming too corporation oriented under Clark.

Population down in Berkshires, up on Cape

The number of residents in the Berkshires and in some communities inside Route 128 declined sharply during this decade, while the population on Cape Cod and Martha's Vineyard rose between 20 and 30 percent, a new study shows.

The study, prepared by the Massachusetts Institute for Social and Economic Research at the University of Massachusetts at Amherst, analyzes population trends in Massachusetts from 1980 to 1988.

The towns that showed the greatest population decreases were the Berkshire County communities of Lenox (14.5 percent), Hancock (11.4 percent) and Williamstown (9.3 percent).

Berkshire County, the only county in the state to have a population decline, lost 4.4 percent of its residents, the study said. The drop may be due to the area's second-home buyers, who are counted as residents only in their home states, the study said.

Other towns with population de-

Shop at Highla
this Christma
sock away

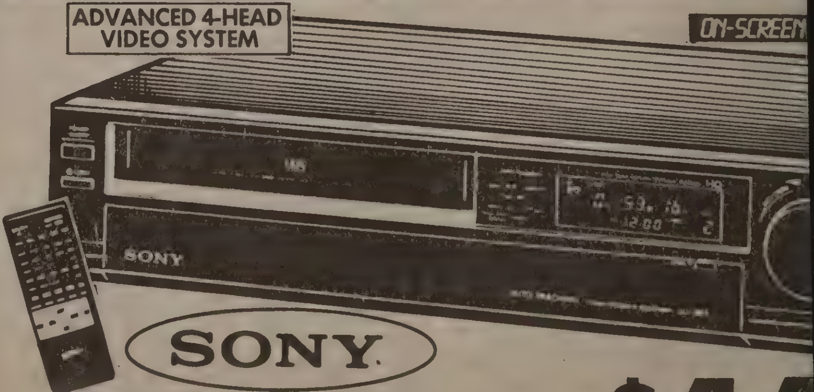
Highland®
SUPERSTORES

We have the biggest se
priced to beat the comp
customer service that'l

NO PAYMENTS
'TIL APRIL
FOR APPROVED CREDIT CUSTOMERS††

Give V
GIFT
Av
$1

SONY VCRs



$44

Sony 4-Head VHS VCR With Remote
On-screen programming. Rapid access tape transport. Swing jog dial with skip scan. 8-event/one-month timer. Cable-ready tuner. #SLV353

†ONLY $20

Bellotti offers further cuts, slams Dukakis

Bev Times 12/5/89

Gubernatorial candidate says public will pay higher taxes

RANDOLPH (AP) – Democratic gubernatorial candidate Francis X. Bellotti criticized the Dukakis administration for what he called a "credibility crisis" in state government, and proposed further layoffs and other non-tax measures to end the state's budget woes.

"People are willing to pay taxes to help those who are less fortunate if they believe that they are being told the truth," Bellotti said in prepared remarks he was scheduled to deliver Tuesday before the South Shore Chamber of Commerce in Randolph.

His budget recommendations include seeking additional Medicaid funding from the federal government, tightening Medicaid residency restrictions, seeking copayment from Medicaid patients, a centralized bill collection system to recover lost revenue, consolidation of transportation services and police functions and additional layoffs of state workers.

Bellotti also recommended tax incentives to encourage businesses to locate in the state, particularly if they are involved in international trade. He proposed a five-year "tax holiday" for new companies coming to the state which would produce products for export. He also said the state should allow one dollar of state tax credit for every increase of $5 in exports over a company's preceding annual total.

Bellotti criticized the state's finance chief for failing to tell people about cuts that are being made in areas that do not hurt the needy, instead of concentrating on cuts to direct services.

Bellotti, a former attorney general, said efforts to deal with the fiscal crisis "have come woefully and painfully late." He also Bellotti criticized the state's finance chief for failing to tell people about cuts that are being made in areas that do not hurt the needy, instead of concentrating on cuts to direct services. The result is a loss of confidence that other cuts are being made, he said.

"If the finance chief can't do it, then the governor must do it himself," he said.

But Mindy Lubber, a spokesman for Gov. Michael S. Dukakis, said: "I believe (Secretary of Administration and Finance) Ed Lashman is doing precisely that."

Bringing home the deficit's impact

Boston globe 12/5/89

At the State House, where there seems little likelihood that this year's budget deficit of $800 million can be met with increased taxes, the search begins for alternatives.

As House Speaker George Keverian noted over the weekend, there is really only one alternative – deep cuts in the budget for the current fiscal year. To make cuts of the magnitude necessary – Keverian estimates $600 million – it will not be enough to seek out and fire any remaining hacks. Cutting most big-ticket state programs – Medicaid, the MBTA or state employees' health insurance – would be impossible because of federal laws or contract agreements.

The only big-ticket program which could be cut right now and make any difference is local aid. By coincidence, the next payment to cities and towns, due at the end of the month, will amount to $1.1 billion (double the usual quarterly payment of $600 million).

Drastic as the impounding of the next quarterly payment would be, its attraction as a deficit-covering measure goes beyond the purely fiscal. It is becoming increasingly clear that there is no chance that a reasonable tax program can be enacted until the state's voters feel the impact of the deficit upon themselves – not the impact upon retarded youngsters, homeless families, ailing elderly, or any other group of victims.

Impounding $600 million (or whatever is needed) would bring that message home to every voter because it is local government which provides the services used by most families. Schools and libraries would be closed, street lights turned off, trash no longer collected – and streets left unplowed after the next snowstorm.

As Keverian put it: Legislators "will have to recognize that closing the gap by cutting would be devastating, and closing the gap by reasonable tax increases would be sensible." Cutting local aid would be one way to bring that choice to the attention of voters.

Delay seen in rebates of health bill repeal

BOSTON GLOBE 12/5

By Nicki Weisensee
SPECIAL TO THE GLOBE

WASHINGTON – Even though Congress repealed the 1988 catastrophic health insurance law nearly two weeks ago, the 27 million beneficiaries of the program will be charged its monthly costs for at least five more months, a federal official said yesterday.

It will take that long to reprogram the Social Security Administration's computers so that they no longer deduct the monthly premium, Social Security Commissioner Gwendolyn King said at a press conference. She said she warned Congress in October that this would happen if it delayed too long in resolving the issue.

"We'll unscramble the egg, but we didn't lay it," King said in reference to Congress' late resolution of the issue.

The premiums collected between now and next May will be refunded some time after June, she said. The collections total $5.30 per month for each person who had been enrolled in the program. Included in the $5.30 monthly premium is 40 cents earmarked for Medicare. It, too, is an overcharge and will be refunded by next summer.

Enacted only last year, the catastrophic health insurance law was hailed as the largest expansion of Medicare since its inception in 1965. But not long after the law went into effect, the elderly citizens the law was supposed to help were calling for its repeal. Most were angered because they had to pay for the new benefits themselves, in part through a surtax based on income. Congress, reacting to complaints, repealed the plan last month.

repeal of the cata- insurance program Social Security Administration 45 million, King said. Of 5 million is for administrative and $10 million for the Treasury Department to send out refund checks. King said she is not sure where the money will come from.

"We're moving as fast as we can and we don't even have the guarantee that we have the resources," she said.

The news of the delay in implementing repeal has already aroused concern among legislators and advocacy groups. Sen. David Pryor, Democrat of Arkansas and chairman of the Senate Special Committee on Aging, sent a letter to King asking her to move rapidly on solving the problem.

"I fear that a lengthy delay will create a firestorm of protest," he said, noting that the five-month delay amounts to a $1 billion overcharge. "We must recognize the impending firestorm and move rapidly to alleviate the problem."

John Rother, legislative director for the American Association of Retired Persons, which has 31 million members, said he spoke to King yesterday and urged her to speed up the process.

"For most people, $5 a month is not a huge amount, but for some it's a lot," he said.

Max Richtman, legislative director for the National Committee to Preserve Social Security and Medicare, also said he hoped the process could be speeded up because, "there are no benefits to go with the premium and for people who are on a fixed income, that's a lot of money."

King said she had called in specialists from the offices of Technological Assessment, general accounting and the National Academy of Sciences – along with computer programming experts from IBM – to meet at the end of this week to "make sure we're using the best option."

Salem News
12/5/89

Special election to replace southbound selectman

A News staff report

IPSWICH — The Board of Selectmen voted unanimously Monday to call a special election to fill the vacancy caused by the sudden resignation of its chairman, Thomas A. Elliott Jr., last week.

James R. Engel, the new chairman of the board, said the election should be held Feb. 5, based on the time-table given the board by Town Clerk Isobel N. Coulombe. A special election needs at least 57 days from the date the decision is made to call it, Coulombe said earlier.

The board could have waited until the annual election in April to fill the seat, but Selectman Robert H. Leet said: "Five months is a long time to wait. We should have an election as soon as possible."

Selectman William A. George said that, even though a special election may cost about $2,000, "we'll gain two months in the budget process. It's a difficult year we're facing and if we wait, we lose that person's input. The value of that person's contribution (to the budget process) will outweigh the cost."

Two persons were present at Monday night's meeting and indicated they would be challengers for Elliott's seat: former Selectman Charles J. Wayne of 16 Leslie Road and Clifton L. Wentworth of 7 Paradise Road, a retired police officer.

Wayne had been elected before at a special election, to fill the vacancy caused by the death of the late Arthur LeClair. He was not re-elected, however. He said Monday night "My experience should help with the budget."

Wentworth retired several years ago as a police officer. He said he had previous experience as chairman of a traffic study committee when he was a police officer.

He was elected constable last year, he said, but resigned soon after the election, as a protest about the Board of Selectmen's handling of the Paradise Road issue.

"I thought the Selectmen were ignoring us and I thought my resignation would shake them up. I think it did," he said.

Some Paradise Road residents have been complaining about the traffic down the residential street to businesses at the end of the street. Many have favored construction of a road linking Paradise Road and Mitchell Road, so business traffic could go down Mitchell Road.

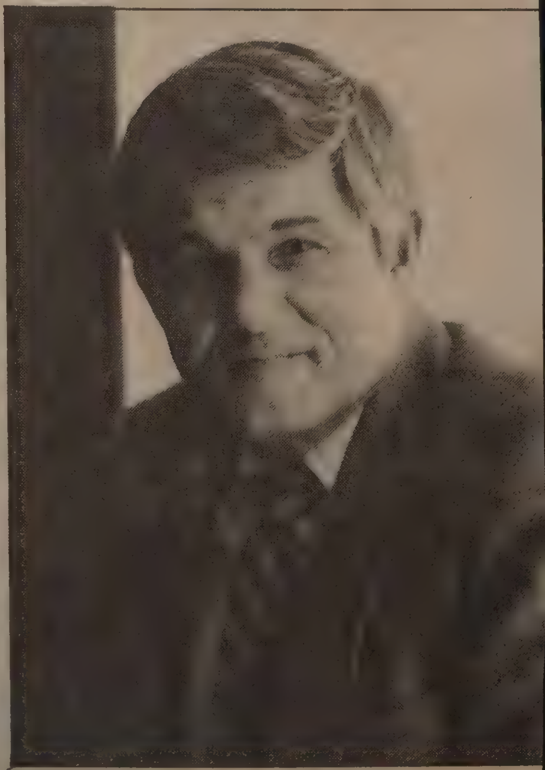
Wentworth also attempted, early in 1989, to place an article on the Town Meeting warrant that would have increased benefits to police and firefighters on disability pensions. Several others supported it. It was filed too late, however, and selectmen refused to add it to the warrant later.

The board also voted to send Elliott a letter thanking him for his service and perhaps a gift. George noted "it was kind of a unique way it (Elliott's resignation) took place . . . When I left last week (the board's weekly meeting) I didn't know what he was going to announce. I felt a little uneasy. I would have liked some ceremony, like shaking hands."

THE BOSTON GLOBE • TUESDAY, DECEMBER 5, 1989

Mass. Eye and Ear chief to resign

Dr. Ephraim Friedman says he will return to private practice



Friedman: 'I have chosen to leave.'

By Anthony Flint
CONTRIBUTING REPORTER

Dr. Ephraim Friedman, the embattled president of the Massachusetts Eye and Ear Infirmary whose dreams of building a medical empire were beset by budget deficits and scandal, yesterday announced he would step down.

"Objectives are rarely, if ever, totally achieved," Friedman said in a letter to infirmary colleagues. "I have chosen to leave the infirmary at this time because I believe I have come as close as possible to doing what I set out to do."

Contacted at his home in Beverly Farms last night, Friedman, 59, said he wanted to return to being a physician, a researcher and a teacher and "thought this was a good time to exit gracefully."

Friedman will stay on as chief executive until a national search is conducted to find a replacement, said Thomas M. Reardon, chairman of the infirmary's board of managers. He will remain on the staff when he does step down.

Reardon said Friedman's greatest accomplishments had included "bringing us back to our roots in terms of a single standard of care," introducing sweeping changes in the delivery of patient care and establishing Massachusetts Eye and Ear Associates, a large, hospital-based group practice.

Friedman had set high goals at Massachusetts Eye and Ear. When he took the helm six years ago, he had hopes of building a new kind of medical institution, based in large part on an entrepreneurial approach that included the commercialization of medical products and for-profit subsidiaries.

But the plans hit a snag when the infirmary started running budget deficits that ranged from $2 million to $6 million, and, as with other hospitals in Boston, was forced to lay off staff and cap some salary increases.

Friedman's leadership was put to another test late last year, when The Boston Globe reported that an infirmary doctor, Scheffer C.G. Tseng, downplayed negative test results on an experimental eye ointment produced by a company in which he owned stock.

In the wake of that revelation, the hospital lost thousands of dollars in federal research grants and was investigated by two congressional subcommittees. Whistle blowers said the Tseng affair underscored the inherent problems that arise when the lines between commercial enterprise, medicine and scientific inquiry are blurred.

Friedman denied that the infirmary's financial situation or the Tseng affair had anything to do with his resignation. "My going had nothing to do with that," he said of the latter. "That's ancient history."

When asked about the Tseng affair, Reardon said Friedman had "handled it well," and that "if there was any toll, I'm unaware of it."

Reardon also defended Friedman's leadership on the financial front, noting that the institution expects to break even this fiscal year. He defended Friedman's attempts to turn some of the infirmary's medical leaders

EYE, Page 63

Salem News 12/6/89

Monahan: We'll survive aid cuts

BEVERLY — Mayor F. John Monahan is not happy about the prospect of further reduction in local aid from the state, but predicted Tuesday the city will survive even if the state makes additional cuts in its aid allocations.

"We have known for some time," Monahan said, "that the state was in much worse financial condition than we were being told, and we made some adjustments to deal with what has happended so far."

He added that he does not intend to do anything to deal with a situation that has only been referred to in passing by Gov. Michael Dukakis when he told reporters Monday that the state may not be able to borrow the money it needs to meet its obligations to local aid.

"I am not going to make any predictions," the mayor said. "I am going to wait and see if it happens, when it happens, and how much money it will mean to Beverly."

He noted that his administration had prepared for the loss of outside financial aid it had to deal with to date, and that he is certain the city will survive the latest fiscal crisis on Beacon Hill.

> *'This state is in a disastrous situation, and it is going to take a long time to get it straight.'*
> F. John Monahan

"This city will continue to function and provide its residents with services," Monahan said. "I can't say that additional drastic cuts in local aid won't mean we will have to make some adjustments, but we are prepared to keep going."

The mayor was highly critical of state government, saying those in charge of Massachusetts finances have completely mismanaged them.

"This state is in a disastrous situation," Monahan said, "and it is going to take a long time to get it straight."

He noted that he has been reluctant to commit to any long-range fiscal programs in the past couple of years, because of the uncertainty over the state's finances.

BLOOD PRESSURE CLINIC: A free blood pressure clinic will be held in the lobby of Cable Emergency Center, 126 County Road, Ipswich, on Dec. 8 from 9 a.m. to 11 a.m. The clinic will be conducted by the Bay Area Visiting Nurse Association. All area residents are welcome to attend and appointments are not necessary. Bev Times 12/7

TUFTS AFFILIATES WITH HOSPITAL: Beverly Hospital has signed an affiliation agreement with the Tufts Health Plan, which will broaden the health care options available to Boston's North Shore communities. The affiliation comes as part of Tufts Health Plan's 1988 alliance with VHA Health-Front, the Massachusetts branch of Voluntary Hospitals of America, a network of non-profit hospitals.

Bev Times 12/7/89

Blood pressure clinic set

Salem News 12/7

IPSWICH — A free blood pressure clinic will be held from 9 to 11 a.m., Friday, Dec. 8, at the Cable Emergency Center of Beverly Hospital, 126 County Road, by the Bay Area Visiting Nurse Association.

TIPS volunteers sought

Gloucester Times 12/6

Beverly Hospital's TIPS (Timely Information on Programs and Services for Seniors) Program has an opening for volunteers to work as interviewers or reporters.

The volunteers will work for the TIPS monthly newsletter, collect anecdotes, humerous life stories and interesting tales from Lifeline subscribers and write articles. There is opportunity for travel throughout the North Shore visiting Lifeline subscribers.

Volunteers should have previous writing, reporting and interviewing skills and be willing to work with the newsletter's feature writer and editor. Four to five hours a week will be necessary for the positions.

TIPS is a multi-faceted program for North Shore elders that includes Lifeline, the newsletter and the Med-Info lecture series.

Those seeking more information may call Beth Dimitruk at the TIPS office, 922-3000, extension 2845.

Hospital cookbook on sale

Gloucester Times 12/5

IPSWICH – The Beverly Hospital Cookbook is now on sale at Cable Emergency Center in Ipswich and at the Beverly Hospital gift shop.

The cookbook contains more than 400 pages of recipes submitted by hospital employees, retirees, volunteers, staff members and friends from surrounding communities.

For those wishing to order the cookbook by mail, requests, accompanied by a check for $6 for each book ordered, may be sent to Cookbook Project, Community Relations, Beverly Hospital, 85 Herrick Street, Beverly, MA 01919.

Checks should be made payable to Beverly Hospital and return addresses must be included with each order.

All proceeds from the cookbook will be directed to the Century Fund for the hospital's current building project.

TIPS volunteers sought

Gloucester Times 12/5

Beverly Hospital's TIPS (Timely Information on Programs and Services for Seniors) Program has an opening for volunteers to work as interviewers or reporters.

The volunteers will work for the TIPS monthly newsletter, collect anecdotes, humerous life stories and interesting tales from Lifeline subscribers and write articles. There is opportunity for travel throughout the North Shore visiting Lifeline subscribers.

Volunteers should have previous writing, reporting and interviewing skills and be willing to work with the newsletter's feature writer and editor. Four to five hours a week will be necessary for the positions.

TIPS is a multi-faceted program for North Shore elders that includes Lifeline, the newsletter and the Med-Info lecture series.

Those seeking more information may call Beth Dimitruk at the TIPS office, 922-3000, extension 2845.

MMA: State aid picture dismal

Salem News 12/6

A News staff report

IPSWICH — Mary Kate Sampson, fiscal policy analyst for the Massachusetts Municipal Association, painted a gloomy picture of local state aid for representatives of Ipswich, Hamilton, Rowley and Topsfield on Tuesday night.

It's unlikely, she said, that the state legislature will pass any major tax package; and it appears there will be further state budget cuts. Hopefully, she said, the cuts won't be too much in local aid.

"I wish I could tell you there's an understanding on Beacon Hill for the problems you face, but it's not so," she said.

If anything, legislators who may have been willing to vote for a tax increase are angry that local leaders didn't support the latest tax package proposed, she said.

Although the MMA has not taken a position, she said it was her personal feeling a tax increase is needed to balance the state budget.

"We need a tax increase. We can't make the numbers work any other way. There is always 'fat' in the budget, but not $800 million worth," she said.

She estimated $825 million as the deficit facing the state.

Sampson said state revenue projections were low, but not just from the governor's advisory board. The Massachusetts Taxpayers Foundation also projects revenue and are "very well respected," but it was projecting last summer an increase of 7 percent in state revenues. Revenues are actually up only 0.7 percent, mostly because there is less income from the sales tax.

"It's a regional thing," she said. "Connecticut is way down (in sales tax revenue) too. Why? I can't tell you."

It's the "budget busters," five critical areas of state spending, that are wrecking the state budget, she added. The cost of pensions, Medicaid, debt service, the MBTA and health insurance are up drastically, she said. In 1983, those costs represented 25 percent of the state budget; they are now 46 percent of the budget.

And the state, during the prosperous years of the early 1980s, picked up some costs that the federal government was dropping, such as federal revenue-sharing to cities and towns and subsidized housing.

"Some parts of the budget have grown fast, and there was no cutting back in areas traditionally funded, like higher education," she said.

The state has also paid more of local community expenses. State money paid 20 percent of local costs in 1981, but are now paying 32 percent, she said.

Sampson was invited to speak by William M. Craft, chairman of the Ipswich Finance Committee. Sampson also explained some aspects of overriding Proposition 2½, although Ipswich is the only one of the four towns which has not yet attempted a Prop. 2½ override.

Rep: Medicaid overhaul could save $200M

Salem News 12/6

BOSTON (AP) — The Senate chairman of the Legislature's Human Services Committee says that if the state overhauls the Medicaid program it could save as much as $200 million next fiscal year.

Sen. John P. Houston, D-Worcester, said Tuesday the idea of overhauling the costly program that provides medical care for the needy was his. He said he hopes some of his recommendations will be included in a deficit-reduction package scheduled for approval later this week by the Senate Ways and Means Committee.

Sen. Patricia McGovern, D-Lawrence, the Ways and Means chairman, has said the plan will deal with five spending areas she has labeled "budget busters," including Medicaid, pensions and health insurance for state workers, debt service and state subsidies for the Massachusetts Bay Transportation Authority.

But McGovern said most of the "budget buster" savings would take effect for the bookkeeping year that starts July 1 and would not help with the $825 million 1990 fiscal year deficit.

Houston said Medicaid will cost about $2.2 billion in Massachusetts this fiscal year, half of which is paid by the federal government, and will rise to an estimated $2.7 billion in the 1991 fiscal year.

Houston said paying bills for the needy elderly in nursing homes will hit $3 billion a year by itself by 2000 and now costs about $800 million. Long-term care for the elderly is part of the total Medicaid bill.

"This long-term care liability we have been projecting is going to bankrupt the state," Houston said.

Houston's Medicaid plan called for giving the state the authority to run the program like a health maintenance organization, contracting with doctors, hospitals and other providers to provide care at reduced rates.

Houston said while that would reduce choice on the part of Medicaid clients, it owuld give the state more of a handle on costs.

He also recommended increased effort to get health payments from other sources, such as federal benefit programs and court ordered child support.

He also recommended stricter control of payment rates for providers.

Houston also recommended that $400 million of any tax increase be earmarked for nursing home care and $4 million in spending on home health care for the elderly be restored.

"Obviously the people of this state don't want to give the state a blank check," Houston said, but might be more willing to back a tax increase specifically to pay for elder care.

Coming to grips with the revenue gap

12/6 Boston globe

Governor Dukakis certainly got everyone's attention with his threat to impound the next round of state aid to cities and towns. So far, so good. He may have got the attention of more people than he intended, however, and that decision has implications for both state and local government that can only be beneficial if the Legislature acts promptly to straighten out the situation. The costs of failure are too high.

In nominating local aid as the device for eliminating the fiscal 1990 deficit with one slash, Dukakis has pointed out the extent to which municipalities depend on the state for meeting their needs – and the extent to which localities' interests are intertwined with state tax policy.

During the past decade, state aid has risen significantly as a factor in local finance. In 1981, it accounted for 23 percent of all local budgets; it has risen to about 35 percent of those budgets. This growth has accounted directly for the decline in dependence on local property taxes – to less than 50 percent, from the high of 59 percent in 1981, when the reputation of "Taxachusetts" was based on high property taxes.

Those figures, however, are averages for all communities. State aid formulas reflect the comparative economic strength of communities in deciding who gets how much. They range as low as 5.2 percent for some Cape Cod communities to nearly 60 percent for poorer cities like Lawrence and New Bedford. Boston gets approximately 37 percent of its funding from the state.

These variations represent sound tax policy because they spread the cost of vital local services, particularly education, over a broader tax base than is possible from rising real estate taxes. New Hampshire is discovering, to its discomfort, the statewide impact of different education systems for wealthy Hanover and not-so-wealthy Berlin.

The Legislature, and now the governor, called that into question with the failure to provide adequate funding for the current budget. They are prompting some localities to shed the dependence by getting out from the restrictions of Proposition 2½. This trend will likely reduce political support for the state's broader-based tax system and the revenues it generates for less-advantaged communities.

This process would be serious enough if its implications were restricted to the state's boundaries. The message, however, is being read elsewhere – notably by the credit-rating agencies whose appraisals are essential to the state's ability to borrow and are closely watched by potential lenders all over the country.

The state has already paid a severe penalty for reductions in its credit rating as a consequence of its fiscal turmoil. Specialists in the field of municipal bond markets say as much as $90 million in additional borrowing costs have been inflicted on the state this year. They expect further increases in future borrowing.

In addition, by threatening to cut local aid, the governor has now put at risk the borrowing stature of all 351 cities and towns, which they scarcely need in the current environment.

There is no question that additional revenues are needed for the current fiscal year if these trends are to be reversed. Eliminating waste, and even eliminating the jobs of legislative cronies, is what should happen every year. Millions of dollars in programs and personnel can be cut, but not hundreds of millions. No amount of credible trimming will eliminate the deficit, whether it is $500 million, $700 million or $800 million.

If the state does not come quickly to grips with this reality, it will inflict on itself higher interest costs as it finances capital projects at both the state and local level.

Public feeling has run high in this atmosphere. It is impossible to measure the extent to which reports of vitriolic phone calls to members of the Legislature reflect the feeling of the public, but if they are typical, the state needs a far higher budget for the Department of Mental Health. This intensity, however, does not change the basic need for legislators to act with courage and a reasonable sense of proportion in confronting the problem and to avoid making it even worse through inaction.

Engel calls for prompt action on override vote

Salem news 12/6/89

A News staff report

IPSWICH — Selectman Chairman James R. Engel urged other town officials to stop wasting time and tell residents, soon, that the town is facing an override of Proposition 2½.

"I'm concerned people are not dealing with an override and we better come to grips with it, rather than delay ... This has got to get out and has to be discussed," said Engel.

"Please, don't delay," he told the School Committee and Finance Committee at a joint meeting hosted by the FinCom. "If you feel you can get budgets under 2½, you're not dealing with reality."

Town Manager George E. Howe estimated the town was facing a $1 million short-fall for the next fiscal year, the amount the town would be short even if it taxed to the limits of Proposition 2½.

The meeting was called by the Finance Committee, said Chairman William M. Craft, to help plan for the coming budget discussions in recognition "this is going to be a hectic year."

Craft said the FinCom was planning to meet again in two weeks, to consider sending out a notice to residents, warning them of the town's fiscal problems. It is something the FinCom has never done before, he said.

Craft had asked the school department what would happen if they had to live with a budget that was the same as the current year, about $8 million.

School Superintendent Richard F. Thompson said the School Committee was just beginning discussion of its next budget, but even by cutting expenses sharply, next year's budget would be about $500,000 above the current year.

He said he thought he might be able to cut $100,000 more from expenses, but would then have to begin cutting teachers, estimating 13 teaching positions would have to be eliminated to save $400,000. But he said he has not begun to identify where those 13 teaching positions (or 10 teachers and 9 teaching aides) would be reduced.

After Engel asked that a decision on an override be made quickly, Craft said the FinCom wanted to let townspeople know: if there is no override, what services would they be losing.

"Personally, I think we need to get information to the people before Jan. 15 if an override is in the offing," said Craft. "We need to know what the budget will look like without an override. The scratching I've done so far makes it look pretty bleak: things like consolidating schools under one principal and giving up trash collection."

Engel came up with two items that could be placed on an override ballot question: trash pick-up (with a cost estimated at $800,000) and the annual subsidy to Beverly Hospital, to operate the Cable Emergency Center from 11 p.m. to 7 a.m. daily, of slightly under $200,000.

The boards agreed to get together again Jan. 9, to discuss what $1 million in budget cuts would mean to the town and to plan any override questions.

Flynn, Tsongas want summit on fiscal crisis

BEV TIMES 12/6/89

BOSTON (AP) – Boston Mayor Raymond Flynn and former U.S. Sen. Paul Tsongas met with Gov. Michael S. Dukakis to push for a summit to try and resolve the state's economic crisis.

Flynn and Tsongas said they were joined by Ferdinand Collardo-Mansfeld, head of the Boston business group The Vault, and Bob McCarthy, an official of the Firefighters Union, on Tuesday afternoon in meeting with Dukakis.

The summit would gather labor, business, political and other leaders to develop a consensus on solutions to the fiscal crisis, said Flynn and Tsongas.

Flynn said he also warned the governor of the impact on police, fire, education and health services if state aid to cities and towns is cut.

The meeting came a day after Dukakis indicated he might withhold all or part of the $1.1 billion local aid payment due at the end of the month if the Legislature hadn't resolved the $825 million deficit the state faces.

Flynn said once commissions studying local aid and state government operations complete their work "there should be a financial summit ... a group of people coming together to review all the recommendations."

Tsongas said the idea of the summit would be to forge a consensus on a plan that could win approval in the Legislature to resolve the crisis.

Flynn said the group should include tax opponents, including Republicans, as well as Democratic supporters of increased taxes.

Both Tsongas and Flynn have proposed the economic summit idea before, but this was the first time they and business and labor leaders had presented the idea jointly to Dukakis.

House Ways and Means Committee Chairman Richard Voke, D-Chelsea, who met with Dukakis earlier, said he had no plans to report another tax package to the House until the Senate acts next week on a package of budget cuts already approved by the House.

House Democratic leaders were forced to shelve a $1.2 billion tax package Friday after lawmakers, by a 30-vote margin, rejected a capital gains tax hike that was part of it.

Voke suggested that once work on the cuts package was completed and the bill was signed into law by Dukakis, a bipartisan group ought to be assembled to analyze the state's tax revenues, and a decision then made on how much of a tax increase would be needed to balance the budget.

Paul Moran, a lobbyist for the Massachusetts Municipal Association, said Tuesday his group that represents local governments was taking the threat seriously.

"The indications are it's not protected," Moran said.

Moran predicted major layoffs if the local aid payment was not made, or even if it was cut.

An attempt by Rep. William Constantino, R-Clinton, to get the House to pass an order asking the governor to make the local aid payment got sidetracked to the House Rules Committee when Democrats, who control the House, objected to it.

Rep. John McDonough, D-Boston, opposed Constantino.

"If you say hands off local aid and no new taxes, you're talking about 30 percent cuts in mental health services, elderly services," McDonough said.

In another development, the Massachusetts Taxpayers Foundation, a business-financed group that monitors state government spending and operations, released a report that said it warned in 1986 that unusual growth in state revenue was encouraging the state to establish a spending program "that normal revenues could not sustain."

Medicaid overhaul may save money

BOSTON (AP) – The Senate chairman of the Legislature's Human Services Committee says that if the state overhauls the Medicaid program it could save as much as $200 million next fiscal year.

Sen. John P. Houston, D-Worcester, said Tuesday the idea of overhauling the costly program that provides medical care for the needy was his. He said he hoped some of his recommendations would be included in a deficit-reduction package scheduled for approval later this week by the Senate Ways and Means Committee.

Sen. Patricia McGovern, D-Lawrence, the Ways and Means chairman, has said the plan will deal with five spending areas she has labeled "budget busters," including Medicaid, pensions and health insurance for state workers, debt service and state subsidies for the Massachusetts Bay Transportation Authority.

But McGovern said most of the "budget buster" savings would take effect for the bookkeeping year that starts July 1 and would not help with the $825 million 1990 fiscal year deficit.

Houston said Medicaid will cost about $2.2 billion in Massachusetts this fiscal year, half of which is paid by the federal government, and will rise to an estimated $2.7 billion in the 1991 fiscal year.

Houston said paying bills for the needy elderly in nursing homes will hit $3 billion a year by itself by 2000 and now costs about $800 million. Long-term care for the elderly is part of the total Medicaid bill.

Houston's Medicaid plan called for giving the state the authority to run the program like a health maintenance organization.

Senator offers changes in Medicaid

Boston globe 12/6/89

GLOBE STATE HOUSE BUREAU

The Senate chairman of the Committee on Human Services and Elderly Affairs yesterday proposed a reform package for Medicaid that he said will save the state $170 million to $200 million annually.

Sen. John Houston (D-Worcester) said he will offer the package as part of the deficit reduction plan currently in the Senate Ways and Means Committee. In addition to the savings plan, Houston is proposing to earmark $400 million for long-term care commitments and to restore $4 million for home care to ease the nursing home crunch.

Houston, at a State House news conference, conceded that the possibility of getting any revenue package through the Legislature this year was remote, and he cited the rapidly escalating cost of Medicaid as a major reason for the state's fiscal woes.

"Medicaid is the biggest budget buster," said Houston. "The basic reality is that we can no longer afford the system we currently enjoy."

Houston's measure would allow Medicaid to act as a health maintenance organization, shift some Medicaid costs to private insurers and federal agencies, control rate increases to health care providers, and pursue federal funds both retroactively and prospectively.

Houston said under his proposal "there's no question people will lose services," but he said the current political atmosphere dictates that cuts be made everywhere.

Earmarking funds is a necessity in planning for the future, Houston said.

The deficit reduction bill is expected to come before the full Senate for debate tomorrow.

Fire chief recovers from surgery

Bev Times 2/7

IPSWICH – The road back to the fire station may be a long one but Fire Chief Edwin Emerson seems to be on his way.

The chief, hospitalized in early August after suffering chest pains and then one month later on Sept. 5 for double-bypass heart surgery, is in his second week of therapy at Beverly Hospital.

"It's coming along slower than I had hoped," Emerson said in a telephone interview.

The acting chief is Willard Maker Jr., and Town Manager George Howe said he has no plans at this time to fully replace Emerson who is on illness leave.

"I've talked to him once or twice (to see how he is doing)," Howe said.

Emerson is receiving therapy by working on four different machines but is unsure of a possible return day.

"I'm thinking about it but I haven't really talked to my cardiologist," Emerson said.

The therapy is scheduled to last three months.

State's big tickets

Fiscal specialists say Medicaid, insurance, debt, MBTA and pensions wreck finances

Boston Globe
12/6

First of three articles.

By Bruce Mohl
GLOBE STAFF

Even if the Legislature manages to pass a tax increase, the state's budget mess will not be cleaned up any time soon.

Top budget experts inside state government say a tax package will be little more than a tiny Band-Aid on a gaping fiscal wound unless spending in at least five key areas is brought under control.

BUDGET BUSTERS

The five areas, which have come to be called the "budget busters" on Beacon Hill, are Medicaid, health insurance for state employees, interest payments on state bonds, pensions and the state's share of the cost of the Massachusetts Bay Transportation Authority.

The cost of each of these accounts, with the exception of pensions, is skyrocketing. The budget busters represented 28 percent of all state spending a mere 2½ years ago, but they are expected to account for 40 percent next year and even larger amounts in future years.

The budget busters are so named because they are the fiscal equivalent of wrecking balls. This year's budget is a good example. Gov. Dukakis cut $491 million in spending out of the $12.3 billion budget approved by the Legislature in July, yet budget analysts now say another $493 million is needed just to cover the rising costs associated primarily with these five accounts. The overall budget deficit is estimated at $825 million.

Medicaid, the state-federal health insurance program for the poor and elderly, is the behemoth in the budget process. Despite intense cost-containment efforts by the Dukakis administration over the past three years, the Medicaid budget has skyrocketed 35 percent to more than $2 billion and is expected to rise close to 30 percent next year. Total state spending over the last three years rose 18 percent.

These dramatic spending increases are finally starting to register with officials on Beacon Hill.

BUDGET, Page 66

e key areas seen wrecking Mass. finances

ET
ed from Page 1

udget busters have become latest buzz word of the fiscal isis. Everybody suddenly wants to do something about them, but no one is quite sure what to do.

No quick fix

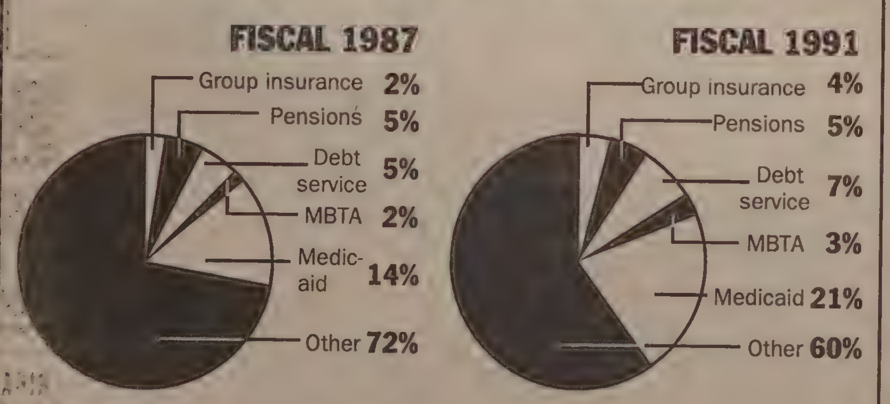
There is no quick fix or magic bullet. The choices involved in restructuring these accounts are politically explosive. Most involve complex decisions about shifting state costs onto the backs of the poor and elderly, state employees or cash-strapped cities and towns. They raise fundamental questions about the role of state government.

Massachusetts pays for more optional Medicaid programs than any other state. Much has been made of this long list of options, as if they were the equivalent of tinted windows or racing stripes on a new car. But does the state, for example, want to stop paying for intermediate care facilities for the elderly?

There are other questions for which there are no politically easy answers:

Is it fair to shift more of the burden of fast-rising health insurance costs onto state workers who are facing the prospect of no wage increases next year?

Major components of state spending*



SOURCE: Senate Ways and Means Committee

SPENDING IN MILLIONS OF DOLLARS

	FY '87	FY '88	FY '89	FY '90	FY '91*
Medicaid	**1,438.0**	**1,550.1**	**1,876.7**	**2,095.7**	**2,700.0**
Debt service	**512.0**	**570.7**	**645.7**	**771.2**	**883.8**
Group insurance	**232.2**	**272.6**	**330.3**	**424.5**	**526.0**
MBTA	**219.3**	**248.6**	**277.5**	**325.7**	**395.4**
Pensions	**541.1**	**560.1**	**581.0**	**620.0**	**670.0**
TOTAL	**2,942.6**	**3,202.1**	**3,711.2**	**4,237.1**	**5,175.2**

*Figures for FY '91 are estimated.

**During FY '90, the commonwealth will bond the unfunded Medicaid liability of $488m. This accumulated debt spans the period FY '88 to FY '89. It is not included in this spending history due to its one-time nature. The Commonwealth will receive $244m in federal reimbursements upon full payment of these past bills.

GLOBE STAFF CHART

Should the state reduce its debt service costs by floating fewer bonds and therefore building fewer prisons, repairing fewer roads and buying less open space to preserve the environment?

Should the state's share of MBTA costs be reduced by curtailing services, raising fares again or shifting more of the costs onto cities and towns served by the T?

And should former state employees surviving on their pensions receive a cost of living allowance next year? Or should the allowance be eliminated, as it was this year?

Sen. Patricia McGovern (D-Lawrence), who has sounded the alarm about the budget busters, is under no illusion they will be easy to tackle. "There are very few options, and they are all very painful," she said. "The political choices are absolutely brutal."

Politicians avoiding issue

The tough choices explain why so few politicians have been talking about the budget busters, and why many have instead tuned their rhetoric to the sweet-sounding song of waste in state government.

Rep. John C. McNeil (D-Malden) was simply more blunt than most other politicians when he said in an interview last week he would not vote for new taxes until he was given "some scalps" to bring home to his district.

Not one of the candidates for governor from either party has addressed the budget busters in any coherent manner. Most of them are just now beginning to bone up on the issue, sensing that it could become a theme of the campaign.

McGovern believes it takes a crisis like the one currently facing the state to spur the Legislature to launch fundamental reform of state government. As she prepares to unveil some initial proposals on the budget busters tomorrow, she wonders whether the Legislature can cope.

> **'So what you're looking at as "controllable" is a very small portion of the budget.'**
>
> CHARLES BAKER
> *Aide to Gov. Dukakis*

"You're asking people to raise taxes, cut programs, cut local aid and now, in additional to all that, you're asking people to start working on these major accounts," she said.

But the consequence of inaction is likely to be more of the same problems the state has been facing for the past three years. The five accounts are growing at such a pace that they threaten to destabilize any budget for the foreseeable future, even with new taxes.

Rep. Richard A. Voke (D-Chelsea), the chairman of the House Ways and Means Committee, calls the five accounts the budgetary equivalent of Pac-Man, gobbling up more and more of the state budget and leaving less and less for the rest of state government.

When state tax revenues were growing at a double-digit pace, the state was able to absorb the increases in the budget busters and funnel additional funds to cities and towns, human services and corrections. But now that tax receipts are flat, the five budget busters plus $2.8 billion in local aid are beginning to muscle out most of the rest of state government.

"You're looking at one-half to three-quarters of the budget in jus those six or seven accounts," said Charles Baker, a top fiscal aide to the governor. "So what you're looking at as 'controllable' is a very small portion of the budget."

Squeezing rest of budget

The result is that the rest of the state budget is being squeezed to bankroll the budget busters. Administration officials say that, without new taxes, every other section of the budget will have to be cut next year just to finance the growth in the budget busters.

The Executive Office of Human Services, which administers programs to combat AIDS, fight homelessness and help the mentally ill, has been told to absorb the projected $400 million to $600 million increase in the Medicaid budget by cutting other programs. The Executive Office of Transportation has been told it will have to cut elsewhere in its budget to absorb any increase in the MBTA budget.

The rising cost of health insurance, pensions and debt service, meanwhile, has been parceled out across state government roughly in proportion to the size of each agency.

Absorbing these unchecked costs has major implications for the future. The state, for example, picked up revenue sharing years ago when the federal government dropped it, and this year plans to absorb some $50 million in chronic hospital costs for the elderly that were jettisoned by the federal government when Congress abolished the catastrophic health care law.

"How long are we going to be able to pick up this stuff, given our fiscal problems?" Baker asked. "It's good to pay for it, but we just don't have the money any more."

NEXT: Medicaid.

Consultant sees change in volunteers

Bev. Times 12/7/89

By LISA KOSAN
Peabody city editor

BEVERLY – The definition of a typical volunteer, that person who donates time and energy to various organizations, has changed over the last 50 years. And that definition must continue to evolve in the 1990s if volunteerism is to survive.

Joanne Patton, the owner and director of Patton Consultant Services of Hamilton, yesterday urged members of the Beverly Community Council to be aware of the modifications that will be needed to keep the nation's unpaid workforce in action.

"Volunteerism has grown up, it has not grown old," said Patton, who started her volunteer work as the wife of an Army officer. "Volunteerism has changed its appearance in its maturity and now it's time to take another look."

Speaking to approximately 40 members of the council at its monthly meeting at Beverly Hospital, Patton said the volunteer workforce used to be comprised of mostly white women who were well-off financially, unemployed, at home most of the day and "not considered reliable."

Now the volunteers across the country include more men, some minorities, handicapped individuals and the elderly. Patton said 80 million people, or 45 percent of all Americans over the age of 18, have donated $19.5 billion worth of time to volunteer efforts in recent years.

Patton also contrasted the definitions of what makes a volunteer, which she borrowed from the American Red Cross' "Study 2000." Under the old definition, a volunteer is a person who undertakes an action without coercion and without pay for a non-profit organization "as a service to others."

The new definition of volunteer, however, includes a sense of responsibility toward helping others as well as a commitment to pleasing oneself.

"Volunteers are individuals who reach out beyond the confines of paid employment and normal re-

Volunteerism, page A12

unteerism changing

d from page 1

bilities to contribute time and service to a non-ofit cause in the belief that their activity is beneficial to others as well as satisfying to themselves," Patton said, citing the Red Cross study.

Even after her retirement, Patton said she still saw a need to help others and founded her consulting company in 1983 as a way to create a national network of volunteers, speakers and consultants that could help those groups in need.

She said people wondered why she wanted to go into business "after a life of sloth called volunteerism" and she told them that she "looked around" and saw a lot of work that could be done.

Patton is president of Community Service of Hamilton and Wenham, Inc., chair of the Association for Volunteer Administration's national Task Force on Higher Education and coordinator of Hamilton's handicapped affairs.

Looking ahead to the next decade and beyond, Patton said volunteer organizations and other corporations must be flexible to attract dedicated volunteers. Comparing the future organizations to the skyscrapers of San Francisco that must endure earthquakes, Patton said "volunteer organizations in the 90s have to grow and swing and sway."

"The 1990s volunteers must be better managed," she said. People must be treated like professionals, recognized for what they can contribute and thanked for a job well done. And, in order to attract younger volunteers and Yuppies, the young urban professionals with comfortable salaries, volunteer groups should offer projects that require short amounts of time and encourage group activities.

Volunteer groups must also recognize that older people, minorities and the handicapped are valuable workers. The groups must learn to share their information and resources with other volunteer agencies.

"We have to be willing to collaborate with each other and not worry about who's going to get credit," Patton said. "We'll all get credit if it's a successful program and we'll all get the blame if we only hold out for 'me.' "

Laurel Ridge to be discussed

Bev Times 10/7/89

BEVERLY – The controversial Laurel Ridge senior citizen housing project tops the Conservation Commission's agenda tonight.

The commission heard testimony last October on the 190-unit congregate housing plan, which is being proposed by Beverly Hospital.

While representatives of the developer said the plan was designed to minimally affect wetlands on the 39-acre property, Hale Street area neighbors raised long-standing water runoff concerns.

Hospital officials agreed after a three-hour hearing to return with added information about the project's drainage and its long-term effects on the neighborhood, which includes Endicott College.

The hospital is seeking an order of conditions from the commission so it can proceed with construction plans, which have already received Planning Board approval.

A group of neighbors has appealed the Planning Board's approval of the project but is still awaiting a hearing.

In other business:

- The commission will consider an order of conditions for the proposed Cove Circle subdivision off Eisenhower Avenue. The seven-lot plan was denied by the Planning Board because its road exceeded the city's 500-foot limit on dead-end streets. The developer has appealed the board's decision.

- The commission will consider a request to enlarge an existing pond on Paine Avenue.

The commission's meeting in the Aldermen's Chambers starts at 7:45 p.m.

---

500 mourn loss of Doris Edwards, 3 grandchildren

Salem news 10/7

A News staff report

'The shock of this tragedy has stunned us all. There is an air of unreality about it."

Rev. John Atwater

PEABODY — About 500 family members and friends, still stunned by the tragic death of a grandmother and three grandchildren who plunged off the Kernwood Bridge in a car Friday morning, expressed their grief at a funeral Mass Wednesday in St. John's Church.

The lone survivor of bridge accident, Doris Edwards, 20, of Peabody, led the family members into the church before the four white-draped caskets were carried in. She was in tears as she entered the church and had to be helped down the front stairs after the Mass.

The Mass was held for Doris (Perry) (Timmons) Edwards, 57, of Beverly, and her three grandchildren, Jamie Lee Edwards, 4½, and Timothy Lee McMahon, 2, both of Peabody; and Manuel Joseph Edwards Jr., 2½, of Beverly. Both the mother and daughter were named Doris.

"The shock of this tragedy has stunned us all. There is an air of unreality about it," The Rev. John Atwater said at the Mass.

He said family members and friends are still shocked by the four deaths.

"Why did they have to die? Why?" he said.

Rev. Atwater said that mourners should express those feelings of disbelief to God at this time.

"For now, God asks us to have faith and trust at the very moment when we feel we have none," he said.

He described a "community of love" at the Mass.

"You've lost your little ones. You've lost Doris. But you haven't lost your faith," he said.

Doris Edwards and Jamie Edwards died at Beverly Hospital Friday from injuries sustained in the accident. Timothy Edwards died at Salem Hospital Friday due to injuries. Manuel Edwards Jr. died Friday evening at the Boston Floating Hospital.

The lone survivor, Doris Edwards, was the driver of the car that attempted to pass two cars and a front-end loader about 8:30 a.m. Friday. She apparently hit an icy patch and lost control of the car, which crashed through a wooden guard rail and fell into the icy Danvers River.

Rescue workers found the survivor clinging to a bridge piling. Divers pulled the three children from the submerged car. Rescuers found Edwards' mother, Doris, floating on the other side of the bridge.

Four victims of Danvers River plunge mourned

By Adrian Walker
CONTRIBUTING REPORTER

PEABODY – They crowded into the vestibule seeking comfort from the cold and relief from the bitter shock. Some 500 mourners at St. John the Baptist Church came to say goodbye to four loved ones tragically killed in an accident last week.

Four caskets – one regular-sized and three tiny ones – lined the altar, a stark, eerie reminder of the accident Friday, when Brenda Williams lost control of her car on the Kernwood Avenue Bridge, and four members of her family plunged to their deaths in the icy Danvers River.

"The shock of this tragedy has stung us all," Rev. Richard Fitzgerald told the congregation during his eulogy of the Doris Edwards, 56, and her three grandchildren. "There is an air of unreality to it. The solidarity of our faith and love holds us together in hope."

Family members and other mourners filed silently out of the chapel yesterday. . One friend of the family, who would not give his name, said the family seemed to be holding up well under the strain.

"But how well could they be doing?" he said. "They've been through so much. No family should have to suffer through something like this."

Rep. Frances F. Alexander, (D-Beverly), yesterday filed legislation calling for an investigation into the safety of the Kernwood Avenue Bridge, which links Beverly and Salem. According to an aide for Alexander, the makeup of the investigating committee has not been determined but would probably include two representatives and one senator who represent the district.

"Anytime four people die from a car running off a bridge, it's worthy of an investigation," Alexander said. "In August, another car nearly went off that bridge. It teetered for half an hour before they rescued it. We need to find out if it's safe, and if not, we need to make it safe."

Two-year-old Manuel Edwards became the fourth victim of the crash Saturday, after suffering a heart attack and low body temperature, known as hypothermia.

He had been trapped in the back seat of the submerged, water-filled car with his two cousins for about 45 minutes, as police divers worked frantically to rescue them from the 35-degree water. Police said the car quickly filled with water as it lay beside the bridge, 20 feet below the surface.

Manuel's two cousins, Jamie Edwards, 4, and Timothy McMahon, 2, Jamie's brother, both of Peabody, died Friday afternoon after doctors at Salem and Beverly hospitals worked for hours to revive them, using blankets, lights and heated intravenous fluid. Doctors said the children's body temperatures were nearly 20 degrees below normal when they arrived at the hospitals. Timothy also had suffered a heart attack.

Mrs. Edwards, of Beverly, was pronounced dead Friday morning at Beverly Hospital, just 45 minutes after her body was pulled from the river. Police said the strong current had dragged her body about 300 yards from the submerged car.

Edwards' 20-year-old daughter, also named Doris Edwards, who police said was the driver of the car, was released from Salem Hospital on Sunday.

Officials said she was found clinging to a bridge piling. It was not known exactly how she got out of the car, but she was conscious when found.

Doctors said she had suffered hypothermia and had severe bruises on her body.

Bev Times 12/7/89

Children, hospital collect gifts for families

By VIRGINIA LOWRY
Times staff

BEVERLY – Four-year-old Emilee Hopkins of Georgetown carefully peeled a green paper Christmas tree bearing the number 70 off a large poster board tree at Beverly Hospital, as she cuddled close to Santa Claus.

The back of the tree informed Emilee that "a 12-year-old boy would like a poster" for Christmas.

"Very good, Honey. We're going to bring a present so somebody will have a nice Christmas," said Emilee's mother, Karen Hopkins.

Emilee, like many other children and adults, is into the spirit of giving this Christmas. Her gift for the 12 year old will be one of more than 250 the hospital is trying to gather for families who lack the resources to buy presents.

Karen Hopkins said Emilee already is aware that some children will not be as fortunate as she and her 2-year-old sister, Jessica, this Christmas. Emilee has been contributing to a Christmas fund at her pre-school, said her mother.

"Santa" John Palmer, who retired from the Beverly Fire Department in 1961, was manning the hospital "trees" yesterday, occasionally breaking out in a loud yodel.

"I'm the yodeling Santa," he announced to all, urging passers-by to pick a cut-paper tree or Christmas bell off the tree. Each has a number.

According to Sue Gustafson, public relations director for the hospital, the trees have been erected in cooperation with the Center for Family Development in Beverly. A mental health center affiliated with the hospital, the center provides a number of services for high-risk, socioeconomically disadvantaged children and families, said Gustafson.

Emilee, like many other children and adults, is into the spirit of giving this Christmas. Her gift for the 12 year old will be one of more than 250 the hospital is trying to gather for families who lack the resources to buy presents.

"Whether these families are homeless and living in motels or shelter, single parent, female-headed households, or at risk for abuse or neglect, they share a common lack of resources."

Each paper ornament on the Christmas trees lists a specific gift that is needed by one of the family members served by CFD, according to Gustafson. Employees, physicians and volunteers each choose an ornament and purchase the needed item.

Number 81, for example, was a request for heavy-board (children's) books; 78 was a size-8 shirt; 80, games for an 11-year-old, and 4, a car or truck for a 6-year-old.

"And we can always use other gifts," said Gustafson. Those include clothing, toys, board games, cosmetics, food and movie passes.

Those wishing to participate may take their wrapped gifts to the community relations office at the hospital by Dec. 15.

Beverly youngsters who participated in preparing the trees included Kerrie-Lyn and Alana Marletta, Keri Palmer, Taryn Grossman, Jennifer and Patrick Pitu, Patty Lynch and Julia Kenna.

Virginia Lowry photo

Santa Claus, John Palmer, listens to the Christmas wishes of Emilee Hopkins, 4.

Beverly Tir

Volume 99, No. 288 – 76 pages

Beverly, Mass., Thursday, December 7, 1989

Accident victims laid to rest

'God doesn't explain why,' priest tells mourners

By ERIC CONVEY
Times staff

PEABODY – About 500 people gathered inside St. John's Church yesterday for the funeral of the three children and their grandmother killed in a car accident Friday off the Kernwood Bridge.

"The shock of their tragedy has stunned us all. There's an air of unreality about it," said the Rev. John Atwater of the deaths of Doris Edwards, 57, and Manuel Edwards, 2, both of Beverly; and Jamie Edwards, 4, and Timothy McMahon, 2, of Peabody.

His statements echoed feelings expressed by family members since the accident Friday when the car in which they were riding plunged off the Kernwood Bridge between Beverly and Salem and into the icy Danvers River.

The driver of the car, Doris Edwards, 20, of Peabody, was injured in the accident, which, according to police, happened when she skidded on the icy bridge as she attempted to pass a slow-moving piece of construction equipment.

She was released Sunday from Salem Hospital and was supported throughout yesterday's funeral Mass by family and members of the staff of the Francis L.

Funeral, page A18

Doris Edwards is escorted form St. John's Church in Peabody yesterday
funerals of the four victims of Friday's accident.

Hunt Hospital gets accredited

Salem News 12/7

A News staff report

DANVERS — Hunt Hospital received official word this week that its accreditation was extended for another three years.

The Chicago-based Joint Commission on Accreditation of Healthcare Organizations gave Hunt high marks after visiting the facility in September.

On a rating scale of one to five with one the best, Hunt received 30 ones, eight twos and two fours.

Hospital Administrator David L. Stansberry said Wednesday the hospital expected to receive the accreditation.

"We were confident," he said. "We had three-year accreditation, and that is exactly what we got."

Three years is the longest period that is granted.

The good news didn't come without several negative comments.

"There are still things that we need to work on," Stansberry said. "Fortunately, the things that we need to take a further look at is rather a short list of items that we will be working on."

The reason why accreditation was needed was that it would make the reimbursement process for Medicare payments far simpler. Medicare is a federal program pays for health care for the elderly.

Hunt still could receive reimbursements for Medicare, but the process would take longer.

Hospital officials have said that accreditation was necessary to ensure a hospital's survival, particularly on the competitive North Shore.

Stansberry placed value in the report because "it's an independent outside evaluation that we pay for for of how well our hospital is run compared to a nationwide set of standards . . . Sometimes you can be to close to the program to evaluate it."

While not speaking directly bout Hunt, Joint Commission spokesperson Pamela M. Schumacher said the accreditation would improve public confidence in a hospital.

Many insurance companies require people to only be treated at accredited hospitals.

The commission accredits 80 percent of the hospitals in the U.S. Only two percent of those seeking accreditation fail, while 98 percent of those passing receive recommendations for improvement.

One of the areas that must be improved upon was a reduction of the time lag between when a patient leaves the hospital and when all the documentation is filed in medical records.

"That isn't a terribly significant item because the difference where we are at and where they would like us to be isn't a great period of time," Stansberry said.

Stansberry did not specify what the difference was.

The second area was a requirement to use quality assurance data in reappointing doctors. The information would include documentation showing the doctor participated in continuing education and filed complete medical records.

Stansberry said that Hunt has started meeting the requirement already, but has not done so for long enough.

Five people from the Joint Commission visited the hospital Oct. 4-6.

The visitors, two doctors, a nurse, a laboratory expert and an administrator, looked into all aspects of the hospital's operations from pouring over meeting minutes to talking with staff.

At a selectmen's meeting Tuesday, Town Manager Wayne P. Marquis praised the work of the hospital in getting ready for the visit.

Hunt Hospital received help in preparing for the accreditation process from three consultants with HCA Management Co., the company that manages the town-owned hospital.

Last of three articles

By Bruce Mohl
GLOBE STAFF

BUDGET BUSTERS

When Dolores Mitchell was appointed executive director of the state's Group Insurance Commission 2½ years ago, her predecessor took her aside and confided to her that the agency was nice and quiet and out of the limelight.

Mitchell, who had been running the Katharine Gibbs secretarial school for the previous six years, remembers the description suited her just fine. Her last brush with state government, as a member of Gov. Dukakis' staff in his first administration, had been a bit bumpy what with all the taxes and spending cuts that took place.

But it wasn't long after Mitchell moved into her new office in the maze-like Hurley building on Cambridge Street that she sensed something was amiss. Her first year the commission's budget for health insurance for state employees rose 16 percent to $296 million. Her second

cal debate,
41, 44, 45-46.

year the budget jumped 13.2 percent and this year it is up another 29.2 percent to $433 million.

Mitchell's budget, despite a 22 percent cut in her staff, now has the dubious distinction of rising faster than any other major account in state government and there is no end in sight. Even rising state layoffs are failing to slow the growth in spending.

Sen. Patricia McGovern (D-Lawrence), the Senate's top budget official, predicts the account will hit $1 billion sometime in the next few years.

The enormous increases are coming at a time when state tax revenues are leveling off, spending cuts are being made across the board and

BUSTERS, Page 18

Earli
in Manila enclave
's holding a section
Makati financial distric
d and were allowed to marc
arracks with unloaded
men later were placed
d will face a court-
to Brig. Gen. Os-
armed forces

om Page 1

xes is in the air. For Mitch s as if she's replaying 1975 all ver again, but this time it's worse because she is not out of the limelight but at the center of attention.

"It's sort of ironic that, as a card-carrying liberal, circumstances are forcing me to think how I can cut back on expenditures," Mitchell said. "But I'm not here to win a popularity contest. I'm here to do a job."

Mitchell is facing a problem shared by most of corporate America. Health care costs nationwide, and especially here in Massachusetts, are rising at double-digit rates. The cost inflation is accelerated by an aging society using more and more medical care that tends to rely on expensive high technology.

The question facing employers, whether they are private companies or the state of Massachusetts, is: Who should pay for this care?

At NYNEX Corp., thousands of angry workers went out on strike this year to protest the company's attempt to begin shifting health care costs on to employees. The strike ended with the company continuing to pay 100 percent of the employees' health benefits, but the workers were forced to make wage concessions in return.

Like NYNEX, the Dukakis administration has tried repeatedly over the past few years to change state laws so that more health care costs can be shifted to state employees. But each attempt has been rejected out of hand by Beacon Hill lawmakers, who have been lobbied hard by public sector unions and are themselves participants in the state's health care system.

The governor has offered legislation several times to make every employee pay 10 percent of his or her health care costs, which would save the state about $19 million a year. The legislation has never even made it to a vote in the House.

Dukakis' bid in 1987 to restructure the state's most expensive health plan, in part by boosting hospital visit deductibles that had not been increased since 1965, was also rejected. Not only did the Legislature pass a law eliminating the higher deductibles and other cost-shifting measures, it also locked in some new benefits that had been offered as a carrot to state employees.

"We ended up with the worst of both worlds," Mitchell said. "We had to pay for the new benefits and roll back all of the savings."

Medicaid's punch

Boston Globe 12/7/89

Cost nearing 21 percent of state budget as officials search for humane ways to cut

Second of three articles.

By Charles Stein
GLOBE STAFF

Paying for health care is expensive, even for the healthy. So imagine what it would be like to pay the medical bills for society's toughest cases: the elderly in nursing homes, the disabled in hospitals, AIDS patients, babies born to addicted mothers.

The state's Medicaid program pays for all of them, which goes a long way toward explaining why the program is creating huge problems for the Massachusetts budget.

BUDGET BUSTERS

Medicaid spending is expected to reach $2.1 billion this year, up from $1.4 billion four years ago. By next year, the total could reach $2.7 billion or 21 percent of the state's budget, according to the Senate Ways and Means Committee. "The numbers are just staggering," said Patricia McGovern (D-Lawrence), the committee's chairwoman.

McGovern has come up with the term "budget busters" to describe the handful of large state programs whose costs are skyrocketing. Unless their growth is reined in, she warns, Massachusetts faces years of tax hikes and service cuts – in effect, a fiscal crisis that never ends.

Medicaid is the king of the budget busters. Knocking it off its throne will not be easy. Medical inflation shows no signs of easing. The elderly, Medicaid's most expensive clientele, are living longer and increasing in number. With the state's economy deteriorating, more people are coming onto the welfare rolls, which means they automatically qualify for Medicaid.

BUDGET, Page 20

dicaid's punch

st nearing 21 percent of state budget; officials seek cuts

■ BUDGET
Continued from Page 1

And finally there is the federal government. Washington picks up half the bills for Medicaid, but it also makes decisions that can shift costs back to the states. For example, Congress' November decision to repeal catastrophic health care coverage will add $90 million to Massachusetts' Medicaid bill this year alone. "It represents a major hit we can ill afford," said Human Services Secretary Philip Johnston.

Medicaid is a burden everywhere, but in Massachusetts two things make the burden worse than usual: the state's high cost of medical care and the generosity of the Medicaid program. Daily rates at Massachusetts' major hospitals are approaching $1,000. Nursing home rates are much lower, but by national standards, they are still quite steep. The bottom line: If someone needs care here, it costs a lot more to provide than it does in Arkansas.

The generosity of Massachusetts' Medicaid program can be measured in several ways. According to a 1986 study by the Center on Budget and Policy Priorities in Washington, Massachusetts offered more optional Medicaid services – 30 out of a possible 32 – than any state in the nation. A 1987 survey by a Ralph Nader group ranked Massachusetts' Medicaid program the fourth most generous in the country.

Getting stingier

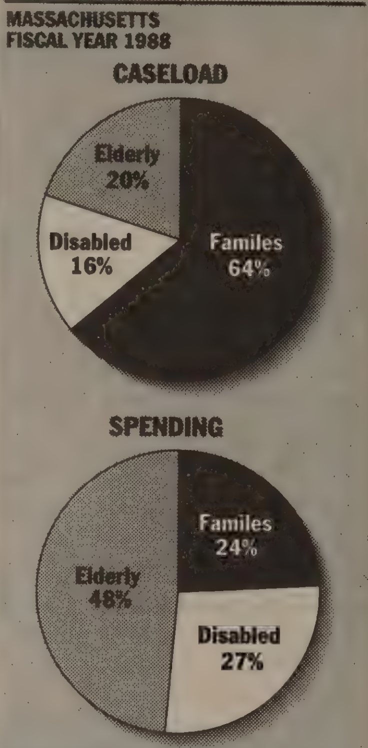
One obvious way to cut Medicaid costs would be to get stingier, and there has been talk, in the Legislature and elsewhere, about doing just that. The full list of optional services will cost the state about $180 million this year and could make an inviting target for lawmakers. But when push comes to shove, will politicians have the stomach to eliminate payments for things such as prescription drugs, dental care, nursing home care for the mentally ill and medical supplies, the most expensive of the optional services?

"No one wants to be mean-spirited," said McGovern.

US Rep. Chester Atkins (D-Mass.) raised hackles recently when he suggested that Massachusetts toughen its rules for Medicaid eligibility. Effectively, Atkins' proposal would force nursing home residents to sell their homes to pay for care. A person could retain $50,000 of the home's value under the Atkins plan. At the moment, people can keep their homes and still qualify for Medicaid.

Medicaid overview

Although the elderly and disabled make up 36% of the clients, they represent over 75% of spending.



SOURCE: Dept. of Public Welfare

GLOBE STAFF CHART

"The idea of confiscating people's homes strikes me as profoundly antifamily and antiworking class," said Alan Sager, a professor at Boston University's School of Public Health. Most liberals agree with Sager, but attitudes could shift if the crunch gets worse.

Cutting payments to providers

Johnston says if Medicaid costs are to be trimmed, health care providers "are going to have to share some of the pain." Rate hikes for providers – nursing homes, hospitals, doctors – are expected to average about 10 percent next year and cost Massachusetts an additional $230 million. Johnston says those numbers are far too high.

But bringing them down is certain to put the state on a collision course with the health care industry. The Massachusetts Hospital Association is already suing the state over its failure to make Medicaid payments on a timely basis. The nursing home industry has not gone that far, but Philip LaCasse, president of the Massachusetts Nursing Home Association, warns that inadequate rate hikes would have serious consequences. "If they are too small," he said, "we would not be able to keep staff and we would be forced to close homes and beds."

Management changes, basically more efficient ways of doing business, could also slice Medicaid costs. The Dukakis administration thinks it can save more than $200 million next year through assorted reforms.

"You can do things over time that will blunt Medicaid's rise," said Dr. Robert Master, former medical director of the state's Medicaid program. "But is there anything that is going to turn the budget around? Not in my opinion."

A look at the two largest recipients of Medicaid funding – nursing homes and hospitals – shows even more starkly the kind of tough tradeoffs the state is facing.

NURSING HOMES

Medicaid was created to pay the medical bills of the nation's poor. It still does that, but over time, more of its resources have gone to pay the nursing home bills of the elderly, including middle-class elderly. In Massachusetts, 37 percent of Medicaid spending or about $800 million goes for nursing home care. Four years ago the figure was $460 million.

Roughly 75 percent of the state's nursing home population is on Medicaid; the national average is closer to 60 percent. Medicaid officials speculate that Massachusetts numbers are higher because more middle-class people here have figured out a way to transfer their money to their children to qualify for Medicaid.

"We have very sophisticated legal advice in this state," said one top Medicaid official.

The welfare department recently came across one particularly egregious example of a person with money trying to beat the system and qualify for Medicaid. It is known within the department as "the diamond ring case."

FILE PHOTO

More and more of the Medicaid budget has gone for hospital and nursing home care for the elderly.

According to department records, the day before the woman in question applied for Medicaid, she took $45,000 in cash and bought a diamond ring. Then, claiming poverty, she applied for Medicaid. When questioned by the department, she said the ring was personal property, which is not counted as an asset under Medicaid rules. The woman ultimately was denied benefits – an appeals judge ruled the ring was not personal property in the sense a wedding ring would be – but department officials wonder how many more subtle cases go undetected.

"Massachusetts has never applied the onerous restrictions for eligibility that other states have," said Charles Atkins, former commissioner of public welfare. Again, that could change, but probably not without enraging the middle-class constituency that has come to regard Medicaid coverage as an entitlement.

Rate hikes explain far more of the increase in nursing home costs. Nursing homes won rate boosts of better than 20 percent last year, largely to help them catch up with the huge salary increases they were forced to pay to keep nurses and aides. Ironically, thanks to the state's sinking economy, wages have leveled off. Over time that should translate into more modest rate increases.

HOSPITALS

Robert Master says Medicaid pays hospital bills for the most expensive cases, such as those involving children with multiple handicaps, low-birth-weight babies and AIDS patients. AIDS spending alone is expected to rise to $70 million in fiscal 1991, up from $5 million in 1987.

Continued on next page

on
eaper
e sites

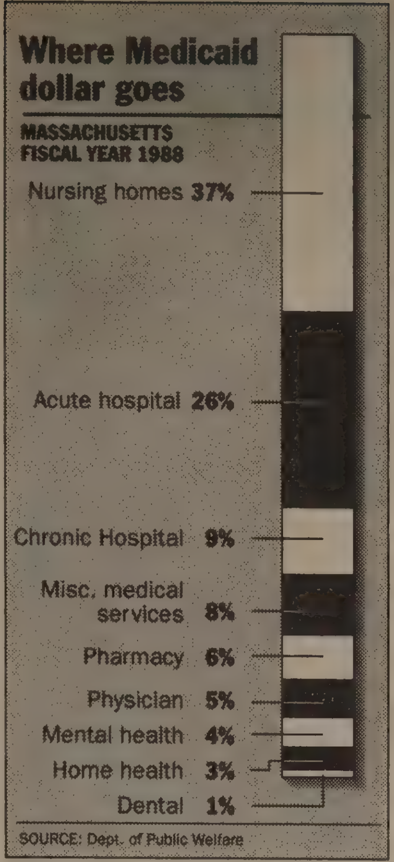
ontinued from preceding page

Driven by those forces, total Medicaid spending in hospitals will reach $372 million this year, up 38 percent in the past two years.

State officials say some of that spending could be trimmed if certain patients could be moved to cheaper settings outside the hospital. AIDS patients fall into the category, according to the state, but at the moment, alternative beds for such patients do not exist. The same is true of Medicaid recipients who are in the hospital awaiting placement in nursing homes. That group, which may include as many as 1,800 people on a given day, costs Medicaid tens of millions of dollars a year.

The Dukakis administration thinks it can save some Medicaid hospital dollars by moving more of the poor into health maintenance organizations and changing the way it contracts out for hospital services. That may well be true. But as Boston University's Sager puts it, "If you want to make significant savings, there aren't any painless panaceas."

NEXT: Group insurance.



GLOBE STAFF CHART

Debt payments swamping Mass.

Cost of money to build prisons, repair highways up 20 percent in a year

By Charles Stein
GLOBE STAFF

Like a strapped Third World country, Massachusetts is being swamped by the cost of past borrowings.

Debt service, or interest payments on loans, is one of the fastest growing pieces of the state budget. It is up 20 percent in the past year and is expected to climb another 14 percent next year to $883 million. Like the other so-called "budget busters," its growing appetite for funds will leave fewer and fewer crumbs for everyone else to fight over.

What explains the steep rise? Two words: capital spending. Over the past few years Massachusetts has embarked on an ambitious building program: new prisons, courthouse renovation, highway repairs, water and sewer treatment plants, affordable housing for the poor. Last year the state spent $925 million on capital projects, 114 percent more than it did three years earlier.

The state pays for those jobs by floating bonds, which in turn require annual interest payments stretching out 20 or 30 years. The Dukakis administration hopes to spend another $925 million this year, but according to one budget official, "that is not carved in stone."

Administration executives are quick to point out that the money is not being spent on frivolous projects. "We could have spent $1.3 billion this year just on high-priority work," said Alden Raine, the state's secretary of economic affairs.

If capital spending goes on as planned, Massachusetts can look forward to double-digit budget increases for debt service for the forseeable future. If it is trimmed, debt service will grow more slowly, but badly needed projects will sit on the drawing board.

The leaders of state agencies insist that even at current levels, capital spending is not keeping pace with demand. According to John DeVillars, secretary of environmental affairs, the state will get bills of $200 million this year from cities and towns doing a variety of construction work. In recent years, Massachusetts has paid up to 55 percent of the cost of sewage treatment work. But DeVillars' capital budget is only $150 million this year.

The communities will either have to pay the difference themselves, said DeVillars, or slow down their work. In the case of certain sewage treatment projects, that could mean defying court-ordered harbor cleanups. "We could be talking about a significant retrenchment," he said.

At the Department of Public Works, practically no new work has been put out for bid in the past year, said spokesman Scott Pickard. The state's road building agency will get $130 million this year, but nearly all of it is committed to ongoing projects. In the meantime, said Pickard, the condition of the state's roads and projects is deteriorating.

If capital spending goes on as planned, Massachusetts can look forward to double-digit budget increases for debt service for the forseeable future. If it is trimmed, debt service will grow more slowly, but badly needed projects will sit on the drawing board.

Some of them may sit for a long time. According to a recent report on the budget by the staff of the state Senate, "Many of the projects approved during the 1980s will not be completed before the turn of the century."

The Massachusetts tax debate

Senate panel calls for cuts, but keeps research bureau

By Frank Phillips
GLOBE STAFF

The Senate budget panel's long awaited savings plan calls for major cuts in Gov. Dukakis' top staff, but protects a legislative agency that many critics assert is a patronage haven for former lawmakers and others with political connections.

The $348 million plan unveiled yesterday by Senate Ways and Means chairwoman Patricia McGovern restores the $669,115 budget for the Legislative Research Bureau, an agency that has often been used as a symbol of Beacon Hill patronage.

At the same time, McGovern's plan calls on Dukakis to reduce his cabinet from 10 to six secretariats and to eliminate two policy offices.

The research bureau, which is headed by the former majority leader of the Senate, Daniel Foley of Worcester, had been eliminated by the House when members approved a Republican amendment to its version of a savings plan.

The research bureau, which employs 13 persons, came under scrutiny in 1985 when Foley, defeated for reelection, was picked by legislative leaders as its new director. At the time, several members of the agency staff prepared a memorandum that said that several former lawmakers were holding high-paying jobs at the agency but were not being asked to produce any reports.

The Senate savings plan calls for a 48 percent reduction in the budget for the Senate Arts Committee, a favorite of Senate President William Bulger. The funding was reduced from $50,000 to $23,000. Bulger recently spent $160,000 from the Committee's account to refurbish his Senate office.

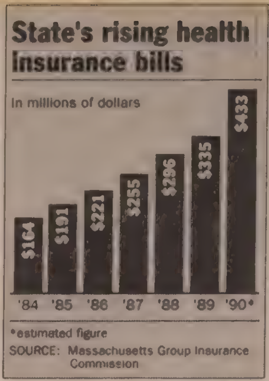
McGovern's proposal cuts $268,000 from Senate operational and payroll accounts and $1.3 million from the joint accounts with the House. It also goes along with $600,000 the House voted to cut from its accounts.

The Senate plan also wants to save, at least for now, the Metropolitan Police from being gobbled up by the State Police. McGovern, who had proposed the merger last year, wants to merge the Metropolitan District Commission with the Department of Enviromental Management, and call it the Department of Natural Resources Conservation.

The House had proposed merging the Metropolitan Police and the State Police along with the Capitol Police and Registry Police under the Department of Safety.

MICHELE MCDONALD

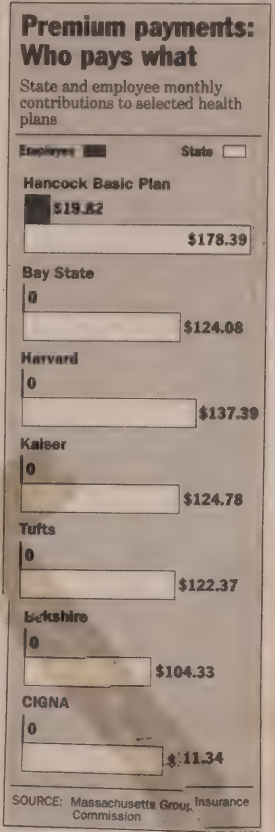
Dolores Mitchell, executive director of the state's Group Insurance Commission, finds herself fighting the same battle against rising health costs as corporate America.



*estimated figure

SOURCE: Massachusetts Group Insurance Commission

GLOBE STAFF CHART



SOURCE: Massachusetts Group Insurance Commission

GLOBE STAFF CHART

Nearly every proposal to trim the state's budget-busting health care bill – whether by raising employee contributions, as McGovern suggested yesterday, cutting benefits, requiring employees to use their spouse's insurance or lumping state and municipal employees in one giant health care plan – involves shifting some costs onto employees.

The subtle implication is that state workers are receiving some sort of free ride. Much has been made of the fact that the state pays more per employee for health insurance coverage than any state in the country, according to a recent study by Martin E. Segal Co., but it is unclear whether that is a reflection of the area's high health costs or an overly bountiful benefit package.

In addition, Massachusetts pays 93 percent of its employees' health care costs. By contrast, New Hampshire, with its reputation for Republican frugality, pays 100 percent of the health costs of its employees. Mitchell said other states also pay 100 percent.

Massachusetts public sector unions, sensing they are going to be the scapegoat for the state's budget crunch, are alarmed. A delegation of union officials met with Dukakis yesterday to vent their anger.

Edward Sullivan, executive director of the Massachusetts Teachers Association, said any discussion of redistributing health care costs must be seen in the context of what is happening to the state work force right now.

"Teachers have lost thousands of jobs, are getting low wage increases on a low-wage base, and are expected to increase productivity for less economic benefit. To shift health care costs to them to bail out the state will break their financial backs," he said.

At most private companies across the country, however, employees are being asked to pay a greater portion of their health care benefits. At the Gillette Co., for example, the firm pays 70 percent of the cost of its Blue Cross-Blue Shield indemnity plan, which insures participants for their health care costs and gives them the freedom to choose their own doctors.

For employees preferring a health maintenance organization, or HMO, which manages the care offered to participants and limits which doctors they see, Gillette pays 70 percent of the cost or the same dollar amount as it does for Blue Cross, whichever is less.

Chris Watson, director of employee benefits at Gillette, said the company's system keeps each of the plans competitive in terms of price, thereby ensuring that no one plan is gets all the high-risk patients or all the low-risk patients.

According to Mitchell, the state's current system does not encourage competition. The state is required by statute to pay 90 percent of the cost of its indemnity plan, which is managed by John Hancock Mutual Life Insurance Co. and self-insured by the state, and must pay an equal dollar amount for participants in the 16 HMOs.

Since the indemnity plan is far more expensive than the HMOs, state employees in HMOs end up paying nothing. There is no incentive for employees to choose the lowest-cost HMO because they are all free.

Mitchell says the system encourages younger, healthier employees to go into the cost-free HMOs, while older employees or retirees opt for the more traditional indemnity plan. Of the 36,000 state retirees, 34,000 are enrolled in the Hancock plan.

Mitchell said the retirees select the Hancock plan because it allows them to choose their doctor and it is more similar to the type of medical care they enjoyed growing up. The indemnity plan also is better suited to a retiree living out of state, she said.

But since the elderly tend to use more health care than the young, the Hancock plan's claims are more frequent and its costs keep rising. The state, which self-insures the plan, has to pay those costs directly.

As the state lays off more of its employees, one would think its health care costs would go down. But so far that hasn't happened. In April, in fact, 1,300 existing state employees who previously had not been tapping their state health benefits signed on at an average annual cost of $3,000 per person.

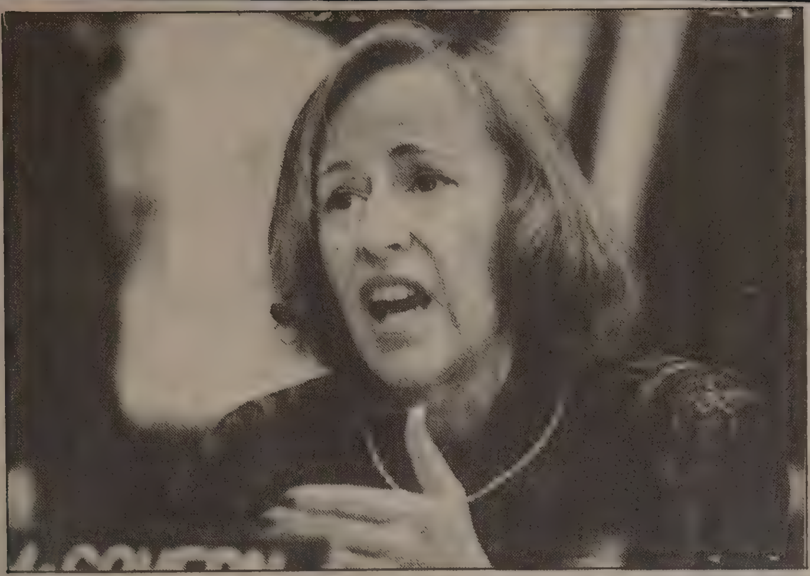
Mitchell said many of the 1,300 employees probably had been using their spouse's health insurance. But as more and more private sector companies require their employees to pay a greater share of their health costs, she said it makes sense for families to take advantage of the state's free HMOs.

Robert Hughes, executive director of the Massachusetts HMO Association, said the state's plan of making every state employee pay 10 percent of his health care costs, or 9 percent as McGovern proposed, sounds equitable, but may do more damage than good.

He said the proposal would tend to equalize the costs of the health care plans for employees, possibly enticing more people to desert the HMOs for the indemnity plan. Since the HMOs cost the state less than the indemnity plan, the state's costs would only go up, he said.

"This situation doesn't want for solutions," Hughes said with some exasperation. "What it wants for is a political context to solve the problem. The politics of this are more complicated than the technicalities."

END OF SERIES



GLOBE STAFF PHOTO / BILL GREENE

Sen. Patricia McGovern yesterday details a "first step" budget plan.

a blueprint for raising revenue to avoid further cuts before the end of this fiscal year in July.

In fact, one member of the Senate Ways and Means Committee, before endorsing the package, said it should have done something more radical to convey the message that state government is hurting.

"There really is nothing in the short term which would reduce our expenditures and which would dramatize the severity of our budget problems," said Sen. Edward L. Burke (D-Framingham). "This bill is unfortunately a necessary step in an unavoidable direction, but I don't think it really dramatizes the worst predicament that we've been in in my 19 years here in the building."

McGovern acknowledges that the Ways and Means proposal does not solve the state's ills, but called it a "first step . . . No one else is offering a comprehensive plan," she said. "This is the beginning of a turnaround plan" for the state's finances.

The plan calls for $130 million in cuts in the current $12 billion budget, $132 million in nontax revenues, $60 million in increased bill collection and other bookkeeping details, and $16.5 million that could be saved this year in five accounts she is trying to change over the long term.

The package is expected to meet with strong resistance from the state's work force because it calls for all state employees to contribute 9 percent of their health-care costs currently paid by the state. Currently, employees enrolled in health maintenance organizations pay nothing for their health insurance and others using the John Hancock plan pay 10 percent.

"If they go after our health benefits, they'd better not count on us to support any tax package," said Arthur Osborn, AFL-CIO president.

According to Senate Ways and Means Committee staff, there is about $230 million in overlap between the Senate's plan and the House's proposal, which staff members said actually would have saved almost $70 million less than the $368 million price tag assigned to it by the House.

Instead of adopting many of the line-item cuts in the current budget proposed by the House, the Senate incorporated $89 million in cuts identified by the governor in November, added an additional $16 million of its own cuts and asked the governor to come up with $34 million more.

Included are plans to charge state authorities for money borrowed from the general fund, to charge the Massachusetts Turnpike Authority for the cost of removing snow and ice from state highways, and a plan to raise $6 million – half what the House said it would raise – by collecting the nickels that consumers don't claim from bottle deposits.

Under the plan, out-of-state tuitions at public colleges would be raised, state garages would be opened at night to the general public to raise cash, and the number of spokesmen and legislative liaisons employed by state agencies would be reduced.

The Senate plan also adopted from the House a provision to slice all funding for a medium-security prison in New Braintree and altered another by combining all state police agencies into one, except for the Metropolitan Police.

"The bottom line of the package is about the same as ours," said Rep. Nicholas Paleologos (D-Woburn). "But one thing it does is bring the ultimate deficit into focus."

But there were strong indications at the Ways and Means Committee meeting yesterday that the package is far from final.

Sen. Francis Doris (D-Revere) said he would oppose the plan to charge all state workers for a portion of their health care, and Sen. Edward Kirby (R-Whitman) does not want to cap the amount of money that the MBTA can spend on capital projects since he wants a railway to his district on the South Shore.

Sen. Mary Padula (R-Lunenberg) said the package does not call for enough cuts and Burke said he may propose the elimination of so-called "Level 3" care for semi-independent Medicaid patients who need supervision but not full-time medical care.

GLOBE 12/8/89

Layoff savings pegged at $114m

The Dukakis administration said yesterday it expects to save $114 million, not $15 million, by reaching its work force target by Jan. 31.

L. Edward Lashman, the governor's secretary of administration and finance, said on Wednesday that the elimination of 2,764 jobs this fiscal year would save just $15 million. That would mean the employees were earning only about $10,800 a year.

Lashman's aides said yesterday the $15 million is only the net savings to the state by accomplishing the personnel reductions by Jan. 31 rather than June 30.

The aides said they did not know how much the personnel cuts would save this year because of money for vacations and sick time that must be paid out. The aides estimated $114 million in savings could be realized for a full year once all the personnel cuts are implemented.

BRUCE MOHL

State pension costs up despite restructuring

By Bruce Mohl
GLOBE STAFF

The only budget buster that has already been "reformed" is the state pension system, but its cost is still rising dramatically.

Three years ago the state put its crumbling pension system on a 40-year schedule to pay off its debts. The act was deemed so significant that it was the last time Wall Street raised the state's bond rating.

Despite the changes, the state's cost for the pension system is rising significantly. This year the state's contribution is $646.5 million. It will rise to $679.8 million next year and $835.7 million in fiscal 1995. By the year 2028, the state's pension cost is projected to be $6 billion.

Sen. Patricia McGovern (D-Lawrence) did not propose any additional changes in the pension system yesterday when she unveiled proposals to generate savings in the other four so-called "budget busters," including Medicaid, debt service, health insurance for state employees and the Massachusetts Bay Transportation Authority.

McGovern suggested additional pension benefits should not be added but left any other cost-saving measures until later. "I don't think this is the time," she said.

There are relatively few options available to curb the cost of the state's pension system. As McGovern suggested, cost-of-living allowances can be eliminated as they were this year and employees can be required to make an additional contribution toward their pensions.

Globe
12/8/89

Globe 12/8/89

Despite changes in system, state pension costs on rise

By Bruce Mohl
GLOBE STAFF

The only budget buster that has already been "reformed" is the state pension system, but its cost is still rising dramatically.

Three years ago the state put its crumbling pension system on a 40-year schedule to pay off its debts. The act was deemed so significant that it was the last time Wall Street raised the state's bond rating.

Despite the changes, the state's cost for the pension system is rising significantly. This year the state's contribution is $646.5 million. It will rise to $679.8 million next year and $835.7 million in fiscal 1995. By the year 2028, the state's pension cost is projected to be $6 billion.

Sen. Patricia McGovern (D-Lawrence) did not propose any additional changes in the pension system yesterday when she unveiled proposals to generate savings in the other four so-called "budget busters," including Medicaid, debt service, health insurance for state employees and the Massachusetts Bay Transportation Authority.

McGovern suggested additional pension benefits should not be added but left any other cost-saving measures until later. "I don't think this is the time," she said.

There are relatively few options available to curb the cost of the state's pension system. As McGovern suggested, cost-of-living allowances can be eliminated as they were this year and employees can be required to make an additional contribution toward their pensions.

Currently state employees funnel 8 percent of their paychecks toward their retirement, up from the 7 percent level of 1½ years ago. By comparison, a worker in the private sector with no pension plan pays 7.5 percent of his paycheck into the Social Security system for his retirement.

Globe

IDAY, DECEMBER 8, 1989

Bush orders $5b reduction in arms budget for next year

By Fred Kaplan
GLOBE STAFF

WASHINGTON – President Bush ordered Defense Secretary Dick Cheney on Wednesday to scale back the military's spending plans next year, but only by about $5 billion, according to White House and Pentagon officials.

This would put a little over $292 billion in the Pentagon's pockets, or about halfway between the $287 billion the chiefs spent this past year and the $298 billion they were counting on spending in fiscal year 1991.

Significantly, Bush's action gives Cheney less than what he would need simply to keep pace with inflation. It thus would mark the first time since the 1960s that a president has proposed a defense-spending reduction in real terms.

Bush's decision put next year's spending level about 2 percent below this year's level after the inflation rate has been taken into account.

Officials say Bush made the decision in the context of his successful summit last weekend with Mikhail S. Gorbachev, the Soviet president, the overwhelming reality of a declining military threat and, therefore, a growing political demand for cuts in defense spending.

An internal feud has been simmering for weeks over the issue between Cheney and the budget director, Richard G. Darman. Cheney,recently ordered the military chiefs to cut $180 billion from their budget plans for fiscal years 1992 through 1994.

However, Cheney has been trying to persuade Bush to keep spending for next year – fiscal year 1991 – at just under $300 billion.

Darman, on the other hand, has been arguing for still greater defense cuts, not just for later in the decade but next year as well.

Officials say Bush's decision, while representing a compromise, comes down a little closer to Darman's position.

Also yesterday, the chairman of the House Armed Services Committee, Rep. Les Aspin of Wisconsin, attacked the administration for the way it has cut the defense budget.

Aspin, speaking before a defense-trade group, said that cuts may be needed, given the changes in world politics, but that Bush was engaged "in a political free fall," ordering the military to slice the budget without giving them any policy guidance first.

If the budget is cut without a rational strategy that can be presented to the public, Aspin said, lawmakers will naturally scramble to save weapons systems built in their home districts.

Though Aspin did not say so, the way Bush ordered the cut for next year virtually ensures that the military chiefs will not slice into any major weapons programs.

First, the cut is not so deep that much slicing will be necessary.

Second, Bush ordered that the cut be made not in terms of "budget authority" but rather in terms of "outlays."

"Budget authority" is like a checking account handed over to the Pentagon. "Outlays" refer to the amount of money the Pentagon will actually spend in a given year.

Major weapons systems – tanks, airplanes, ships and the like – take years to build. Billions of dollars in "budget authority" for these systems may translate, in the first year, into only a few hundred million dollars of "outlays."

On the other hand, "budget authority" for troops, spare parts, training and maintenance is spent right away. Therefore, a limit on outlays encourages the military to cut budget authority for troops and training, not for tanks and planes.

Senate panel offers revenue, savings plan

By M.E. Malone
GLOBE STAFF

Stating that Massachusetts is "broke," Senate Ways and Means chairwoman Patricia McGovern yesterday offered a wide-ranging budget proposal that still leaves a gaping $500 million hole in the state budget in the near term, while opening the door for restructuring of government spending in the long term.

Although the $348.9 million package of budget savings and nontax revenues addresses less than half of McGovern's estimated $850 million budget deficit, she said it is the "first step" toward resolving some of the so-called budget busters – big ticket items that are driving the growth of state government out of control.

The budget package was endorsed by the committee in a

SENATE, Page 16

Senate panel approves $349 million rev

■ SENATE
Continued from Page 1

voice vote and is expected to be brought to the full Senate on Monday.

Changes in those accounts are expected to save the state cash beginning next year, but will mean higher costs for state employees who currently don't contribute to their health insurance, higher costs to municipalities for the Massachusetts Bay Transportation Authority and greater control over the costs of nursing homes and other health care paid by the burgeoning Medicaid account.

This year, those changes will save the state just $16.5 million and are part of the overall $348.9 million that can be raised or saved under the Senate plan.

State leaders had been waiting for McGovern's committee to approve the budget savings package, saying it is a necessary precursor to any further attempt to raise taxes.

Tax plans backed by House leadership have been thwarted on three occasions this fall by rank-and-file members who demanded wholesale cuts in the state budget and approved in November a $368 million package of budget reductions and nontax revenues.

House leaders and Gov. Dukakis were looking to McGovern's revision of the House plan – which falls $20 million short of the House measure – to satisfy lawmakers that state government has been sufficiently sliced.

But McGovern (D-Lawrence) said she was not convinced that the House or Senate membership will endorse a tax package yet. During a press conference after the committee's vote, she tried to keep the focus off questions about new taxes to fill the gap left after the proposal.

"We're proposing to cut a third of a billion dollars," McGovern said. "Let's get through this round. You always want the next story. What I'm trying to say is we haven't finished this chapter of the book. It's a very long book."

Several House and Senate members said that the budget package does little to satisfy either the call for wholesale budget cuts or provide

DAILY EVENING ITEM, Lynn, Mass., Thursday, December 7, 1989

Health insurance options explored

LYNNFIELD

By TOM FARMER
Item Staff

The check is not quite in the mail yet.

Upset over increases totalling 47 percent over the past two years for the cost of Blue Cross Blue Shield medical insurance, the Board of Selectmen this week decided to explore other insurance options before paying the town's Blue Cross premium.

The board is expected to meet with the Insurance Advisory Committee next week to see if the town can offer employees alternative coverage for a lower price.

Lynnfield pays half the cost for an employee using Blue Cross. If an employee is covered by a Health Maintenance Organization (HMO), the town pays what it would pay for an employee using Blue Cross.

Executive Assistant David Rodham said the cost for Blue Cross coverage has risen $35,000 this year. The figure represents a 22-percent increase this year and a 25-percent hike last year.

"I'd like someone to tell me why," said Selectmen Chairman David Drislane. "They've waited five months to send us a bill, so I'd like to see what other options the town has. We're going to pay it, but they don't seem to be in a big hurry to get the money."

Selectman John Redman agreed.

"I think it's time to look at some other programs," he said. "I think it's a ripoff. There's been some flagrant cheating in the (Blue Cross) system and they've inflated the rates to avoid that."

The town is investigating a plan offered by Insurance Cost Controls Inc. of Worcester that involves a community joining a consortium of about 15 other communities and, in effect, forming one large group insurance plan.

Even if the town goes ahead with the proposal, it stands to save only about 7 percent in insurance costs.

"That won't take out the increase," Drislane said. "It will moderate it some."

The selectmen said they would notify department heads and union representatives about the meeting with the Insurance Advisory Committee.

Communities find it may be cheaper to cooperate

GLOBE 12/8/89

By Tom Coakley
GLOBE STAFF

As the fiscal crisis in Massachusetts cities and towns worsens, officials are exploring ways of banding together to buy bulk commodities more cheaply while looking into the possibilities of providing some services cooperatively.

Many Boston area communities have for years saved money through group purchases of police and fire equipment, road salt and other necessities. Towns have collaborated to decrease health insurance costs.

Some school systems unite to buy supplies, and regional schools are a fixture in countryside settings. Regional planning is also a long established concept.

And smaller towns – especially in the less populated western and northern reaches of the state – have long banded together to purchase planning, health, medical and other services.

But in these tight budget times, a new, charged interest in regional approaches is evident and is expected to grow as less and less state money is available. Cuts in state aid that in the past helped offset the effects of the revenue caps of Proposition 2½ have added new urgency to town cooperation and sharing.

In the western suburbs, for example, two groups of town officials – covering 15 towns – have been meeting in recent months to discuss sharing everything from public works equipment to the cost of fuel oil and school paper.

Isolation diminishing

Natick Town administrator Fred Conley, who has served as an unofficial administrator for the larger of the two groups, said that town isolationism, which historically has worked against such cooperation, has diminished because of the fiscal problems.

COMMUNITIES, Page 43

For communities, it may be cheaper to cooperate

■ COMMUNITIES
Continued from Page 41

"The meetings we have had recently make it clear that there is a greater awareness among the towns in this area that we need each other to minimize the impacts of the fiscal situation," said Conley. "We're getting to a point where wealthy town versus poor town starts to become irrelevant because the inexorable math of 2½ is just as tough in Wellesley as it is in Waltham. It doesn't really matter how wealthy the town is in terms of what the law permits you to do."

In the Lowell area, a regional planning commission convinced wary state legislators to pass legislation permitting regional solutions to problems such as septic waste disposal, and maintenance of a bike path from Lowell to Westford.

The legislation was signed by Gov. Dukakis in October.

Robert Flynn, who heads the Northern Middlesex Area Commission, said testimony by area officials before legislative committees last spring dealt with how intergovernmental cooperation would save money in trying times.

"In testimony before the local affairs committee, they stressed that this is another opportunity to maximize the local dollar," said Flynn, whose agency had tried unsuccessfully in the early 1980s to gain authority to contract with towns for services other than planning.

Listing what could be shared

"Admittedly this is not the end, not the be-all. But it provides them with some other options," Flynn said.

Conley recently sent letters to the towns in his group asking officials to list the services that each community could share with others, the services that communities need, and any equipment that each town possesses and might let others use.

The responses will be discussed at a January meeting of the group, which is an outgrowth of the Metro West Growth Management Committee.

Meanwhile, officials in a smaller western suburbs group – whose members come from Sherborn, Holliston, Hopkinton, Millis, and Medfield – have been discussing possible regional purchases of equipment.

"We're trying to find ways to combine forces to find better rates for whatever is out there on a group basis," said Sherborn Selectman James Norton.

"People turn to their neighbors and, in this case, neighboring towns when money gets tight," said Millis Selectman Meriel Hardin. "I would expect that any towns not looking to regionalizing will be before very much longer."

Powerful charter on Cape

On Cape Cod, Barnstable County officials have been involved for nearly a year in implementing the most powerful county government charter in New England. It was overwhelmingly approved by voters from the county's 15 towns in November 1988 – in part, as an effort to make government more efficient and cost effective.

Despite a shortage of state funding, the county government now is taking on the task of consolidating human services resources for the towns.

The motivation for such cost-saving searches is clear in the black and white of budget needs.

Sherborn officials, for example, have recently raised taxes 25 percent with two overrides of Proposition 2½ to pay for needed road repairs and raises for town workers. Previous cuts in local aid have severely depleted the town's reserve funds.

In Medfield, equipment purchases have been delayed, resurfacing in subdivisions put off and a drainage project cancelled due to budget shortages. A severe curtailment in Christmas lighting was headed off when town workers collected and cashed in $400 worth of citizen-donated soda cans at the town landfill.

In Wellesley, whose officials are part of the larger western suburban group, cash reserves were diminished and a number of services were cut to handle budget problems this fiscal year. Balancing the budget next fiscal year may mean laying off between 80 to 100 employees without a new revenue source or a Proposition 2½ override, Selectman Ronald Cloutier said.

Sports, guidance curtailed

Budget cuts in Millis have forced school officials there to curtail some athletics, guidance and special education services, to reduce art offerings and consolidate bus routes.

But an already existing collaboration among schools in Medway, Millis and Hopkinton has permitted the schools to offer an advanced calculus course, which uses computer technology from Harvard University accessed by modems in classrooms in each of the three towns.

The budget busters

Chipping away at budget busters

Senate plan looks for savings in Medicaid, health insurance and the MBTA

By Bruce Mohl and Renee Loth
GLOBE STAFF

The Senate Ways and Means Committee proposed reining in the so-called budget busters yesterday by shifting more of the state's costs to state employees, cities and towns and the poor and elderly and their families.

Sen. Patricia McGovern (D-Lawrence), the chairwoman of the Senate Ways and Means Committee, said her initiatives on Medicaid, the Massachusetts Bay Transportation Authority and health insurance for state workers would save $16.5 million this fiscal year and $111.7 million in fiscal 1991, which begins on July 1, 1990. She offered no major proposals on debt service and pensions.

Officials said one key element of her package appeared to indirectly alter Proposition 2½ by suspending the current 2.5 percent cap on increases in contributions to the MBTA by the 78 cities and towns that make up the agency's service district.

What follows is a breakdown of her proposals for the five so-called budget busters:

■ Medicaid – McGovern estimates Medicaid, a federal-state health insurance program for the poor and elderly, is growing at eight times the rate of other state spending. Her recommendations to slow the pace of growth include requiring the families of nursing home patients to contribute up to 2 percent of the cost of the care, an average of $600 a year, for overall savings of $6.7 million.

McGovern's plan also gives the state Department of Public Welfare veto power over the state Rate Setting Commission's payments to health care providers, expected to save $17 million annually. The House, in its budget-cutting package, eliminated the Rate Setting Commission and gave the Welfare Department complete control over rates.

Most Medicaid recipients are poor women and children, but the elderly in nursing homes who have depleted their assets make up the bulk of Medicaid's costs because they require longer-term care.

Although McGovern chided middle- and upper-class families for allowing the state to pay for care of their relatives in nursing homes, advocates for the poor and elderly pointed out yesterday that patients already contribute nearly all their Social Security checks to Medicaid.

One of the more controversial items in McGovern's reform package would create a so-called "managed care" plan for Medicaid recipients. Similar to the operation of a health maintenance organization, or HMO, the state under a managed care plan would pay a single health contractor an up-front fee to manage more tightly health care services to the roughly 85,000 families on Medicaid.

■ MBTA – The major proposal would require the MBTA's 78-member cities and towns to split all future increases in the agency's costs with the state. Currently, the increased contribution of the municipalities to such increases is capped at 2.5 percent a year.

By amending an MBTA management rights law, the Senate proposal would effectively amend Proposition 2½ to allow the municipalities to assume more of the MBTA's costs. The proposal means the cities and towns would pick up an additional $7 million next year, with Boston picking up $3 million to $5 million.

McGovern also proposed capping the MBTA's capital spending budget, which could jeopardize future projects like the Old Colony Railroad to the South Shore. She also proposed a cap of $100,000 on damage judgments against the MBTA and a prohibition against future retroactive arbitration awards.

■ Health insurance for state workers – McGovern, copying proposals pushed unsuccessfully before by the Dukakis administration, recommended that all state employees pay 9 percent of their health insurance costs.

12/5/89 Sal News

Koop urges Americans to adopt healthy lifestyle

SALEM — Former Surgeon General C. Everett Koop offered opinions Thursday on everything from smoking to sex education during the first lecture of the Salem State College Series.

During his eight years as Surgeon General, the often-controversial Koop waged crusades against AIDS, smoking, child abuse, pornography, drunken driving and prejudice against the elderly. When he retired last July and hit the lecture circuit, Koop had no plans to hold his tongue.

'Smoking is the single most preventable cause of death in the United States.'

C. Everett Koop,
ex-surgeon general

"I intend to continue to speak out on issues that might improve the health of the American people.

"I do not any longer have the power of public office. But I don't have the constraints either," Koop told about 1,500 people at the O'Keefe Athletic Complex Thursday.

"I also have had the reputation for straight and frank talk. Despite that, I never shot from the hip."

HEALTH
(Continued on Page 6)

Y

the wife of the
of two state
et his bail
th two
ault
A /

ALTH

(Continued from Page 1)

the opinions Koop prescribed Thursday

ex education should start as soon as a child his first question."

"Smoking is the single most preventable use of death in the United States."

- "Gray and white hair is not a sign of disease. It never has been. Wearing a hearing aid is not evidence that you have one foot in the grave and the other on a banana skin.

- "The tobacco industry has not given up. I doubt that you could find a more heavy-handed, obtuse, incompetent, untruthful group of corporations anywhere."

- "We know that exposure to one rock concert produces measurable hearing loss."

- "It is the height of hypocrisy for the United States to ask South American countries to curtail their export of cocaine while we continue to export tobacco."

- "The only absolutely certain way to prevent AIDS is abstinence from sex. That is not viable for everyone. And if it were carried out, we would see the end of the human race after not too long."

During his lecture, Koop encouraged Americans to adopt a healthy lifestyle that includes not smoking, alcohol in moderation, exercise and proper diet. "Everyone in this room can afford the prescription I'm prescribing. But not everyone can afford triple bypass surgery," he said.

In a news conference before the lecture, Koop, who issued a 16-page pamphlet on Acquired Immune Deficiency Syndrome in 1986, was asked about the outcry in Salem over mayor-elect Neil J. Harrington's comments earlier this week against spending money on people who are sick with AIDS.

"I'm not going to say anything about the mayor except to say one very simple thing," Koop said.

"AIDS is an incurable disease. But while you cannot cure, you can still care. In as much as AIDS is a very debilitating disease, it requires a tremendous amount of effort on the part of caretakers to see that ordinary things that you and I take for granted are accomplished.

"I would be very much in favor of the strong effort to support those who are dying of AIDS."

GLOBE 12/5/89

Health care's cat-and-mouse game

BOB KUTTNER

First of two parts.

Last week, a writer named Jeffrey Kelly recounted here the shock of receiving a $10,960 bill for a three-and-one-half day hospital stay. I can sympathize. I recently got one for $6,197, for just two days.

All over America, people open bills like these and jump out of their seats, hoping that the decimal point is in the wrong place. Medical costs have been increasing at a rate double or triple that of inflation and show no sign of subsiding.

The basic problem is this: part of the system is subject to a jerry-built routine of "cost containment," while other parts are free to charge whatever the market will bear. The more the system is squeezed in one place, the more it balloons elsewhere into charges that seem absurd.

For example, Medicare since 1983 has attempted to regulate costs, by stipulating just what it will pay for particular conditions. This approach, known as the Prospective Payment System, has succeeded in squeezing down costs reimbursed by Medicare.

But the rest of the system is largely unregulated. This patchwork approach leaves hospitals with every incentive to shift charges to the unregulated part of the system – that part paid by Blue Cross, or by employer-sponsored health plans, or by thee and me.

In some communities, Blue Cross pays the bills of a large enough share of all hospital patients that it can require the hospital to abide by Blue Cross's schedule of charges. However, commercial insurance companies, such as Prudential and John Hancock, typically have too small a local-market share to dictate acceptable charges. Usually, they pay what the hospital demands and pass along the cost to the consumer or the employer, in next year's rate increase.

In the past two years, group health insurance premiums have increased by over 20 percent each year, more than four times the general rate of inflation. In effect, every hospital has multiple fee schedules for the same procedure – one for Medicare, another for Blue Cross, still another for full-charge customers.

The more Medicare attempts to hold down costs in one part of the system, the more hospitals compensate by increasing charges billed to patients without the bargaining power to insist on discounts.

The more the system is squeezed in one place, the more it balloons elsewhere into charges that seem absurd.

A $4,000 basic charge for rental of an operating room is a bit like the Pentagon's famous $800 hammer. The bill does not literally reflect the cost of the product; it reflects whatever overhead the hospital can convincingly load onto a particular fee.

None of this means necessarily that hospital administrators are the bad guys (though some are). Mostly, they are simply part of a system whose incentives are backward. Hospitals operate like any other business. They attempt to minimize costs and maximize earnings.

Whether nominally nonprofit or for-profit, hospital entrepreneurs try to do whatever it takes to stay one step ahead of the cost-containment cops. Twenty years ago, a hospital bill had a few basic items. Today, hospitals "unbundle" their charges and bill separately for every suture.

This game of cat and mouse, of course, also inflates administrative costs. The idea that insurers, or the government, can ever police a system based on reimbursement by auditing every bill is a pipe dream.

Hospitals (other than public ones) are adept at marketing services to full-charge customers, avoiding low-reimbursement patients, and emphasizing high-tech, high-reimbursement services and diagnostic tests. Many social maladies, such as drug and alcohol abuse, or behavioral problems, are viewed as medical disorders – and hospitals are astute at finding customers for whatever is reimbursable.

Paradoxically, the danger is that the current approach to cost containment will simultaneously pinch too tightly, yet not pinch tightly enough in the right places. Much of the pressure for cost reduction translates into forcing hospitals to discharge patients early, while the bandwagon of maximum-cost, high-tech, profit-center medicine rolls merrily along. Nor, surprisingly, is the medical cost spiral driven primarily by doctors' fees, which have lagged slightly behind inflation during the 1980s, nor by ever-improving medical care. About 37 million Americans have no health insurance coverage of any kind.

Strategies do exist for simultaneously improving health care and controlling costs, but they require radically new approaches. Until such strategies are adopted, hospital bills will continue looking like typographical errors.

Bob Kuttner's column appears regularly in the Globe.

Koop slams tobacco industry

By ANDREA PARKER
Times staff

SALEM – There were no kind words for the tobacco industry from the sharp tongued former U.S. Surgeon General C. Everett Koop last night as he spoke before a packed auditorium at Salem State College.

In a speech punctuated with his straightforward amusing one-liners, his thoughts on smoking, preventative health care, aging and deafness took the serious focus.

Cigarette smoking is the single most important factor contributing to premature deaths, he said, saying it is the root cause of 1,000 funerals a day.

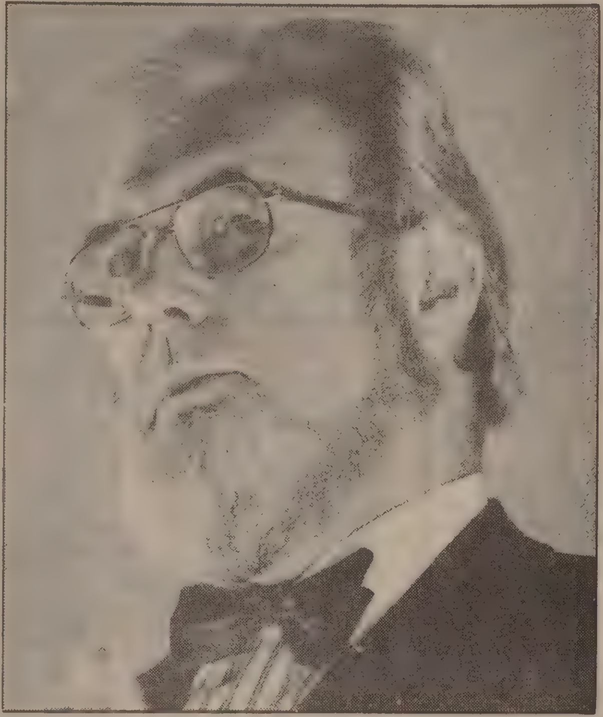
"It has a higher morbidity rate than drugs, automobiles and AIDS combined," he said.

Koop spoke frankly about the controversy over President Ronald Reagan's appointment of him in 1981, when he was called the worst appointment for surgeon general ever.

"After 8 years, it has been very sweet indeed to find practically everyone . . . agreeing that I put the health of the American people first," he said.

His stands on smoking and AIDS – and his statement last January that there was no conclusive

Koop, page A12



Mark Tetrault photo

Dr. C. Everett Koop

BEV TIMES 12/8/89

slams tobacco industry

n page 1

abortions harmed women – offended es who had once supported him, and berals who had originally fought against his tment.

etiring his post as Surgeon General in July, Koop now out of uniform, touring the lecture circuit.

Koop, 73, was a pediatric surgeon and surgeon in chief of Children's Hospital of Philadelphia as well as professor of pediatric surgery and pediatrics at the University of Pennsylvania.

During his speech last night, he was rewarded with many bursts of applause and laughter for his clever comments, such as when he said that over his years in Washington, he began to find himself liking even congressmen.

"Suddenly I realized why I was liking it more was because I was losing my hearing," he said. "Some of the inappropriate answers I was giving would make a nice little comic book." He encourages hearing testing for infants, teens and elderly people, saying if you have any hearing, you can get help.

Koop reiterated his call for a "Smokeless Society" by the year 2000, because the youngsters that are being taught early about the hazards of smoking will be graduating then.

In his tenure, he said, smoking had declined from 33 percent to 26 percent of the American public, but between 43 million to 50 million Americans still smoke.

That has a major impact on the national health budget, and "also on our individual family budgets. But let me assure you the tobacco industry has not given up," Koop said.

"I doubt that you can find a more heavy-handed, obtuse, impolitic, untruthful group of corporations," he said.

"I also have read their deceptive full-page advertisements that have lifted mendacity and half-truths to a new and higher level Faustian artform," he continued in his characteristic direct diatribe.

"I was at first dumbfounded and then plainly furious that the tobacco industry had attempted to obfuscate and then trivialize the extraordinary important public health information," he said of the direct risk of stroke, lung disease and cancer. "And a dozen or more diseases which are serious and debilitating, exhaustingly expensive and frequently humiliating."

He assailed the industry for bringing its products to Third World nations.

He called it one of the most "disgraceful examples of private enterprise gone amock the cigarette industry is focusing . . . on the unprotected citizens of third world nations in Asia and Africa and South America."

As a result, those nations are beginning to experience the same rise in smoking-related diseases that we experienced in America a generation ago from heart disease, stroke and cancer, he said.

"I am appalled by this type of behavior. But more than that, I am shocked and disgusted by our own government's support of such behavior."

Taiwan reduced smoking in 1985 by 5 percent, in 1986 by 6 percent. And then the American government threatened to impose trade sanctions on Taiwan if it did not open its markets to American advertising.

The next year, cigarette smoking increased by 10 percent.

"The alarming thing about this habit is that when it invades a new market, it does so with immense speed and impact," as cigarette consumption exceeds the rise in population.

"In Africa, for instance, according to the World Health Organization, consumption rose 77 percent higher than the rise in population, he said.

In many of the countries, American cigarettes were the most common kind that were used.

"They don't carry the Surgeon General's warning and many of them have a higher tar content than the ones that we sell here," he said.

Infectious disease that could wipe them out are no longer their number one problem. Now it's "exactly the same as ours – heart disease, cancer and stroke.

"We have beaten the cigarette companies right on their own turf, but unfortunately because we have driven them to scour the rest of the earth for new victims," he said.

"It is the height of hypocracy to ask South American countries to curtail their export of cocaine while we continue to export nicotine," he said.

On the issue of health care, he said that the inflated cost of health care has coincided with a decline in service.

"(The medical system) is broken. It does need repair and Band-Aids will no longer do.

However, he said, that a national health care system such as Canada's is based on "planned scarcity," and would lead to an erosion of quality, creativity and innovation, and would be run by "non-professional bureaucrats."

ITEM 12/8/89

Koop looks at life in America

Former surgeon general wows Salem State audience

By JACK BUTTERWORTH
Item Staff

SALEM — Dr. C. Everett Koop, the outspoken former surgeon general of the United States who considers himself a consistent pro-lifer all the way down the line, is appalled that the Supreme Court agreed to hear the Nancy Cruzan right-to-die case — "a case which will have unbelievable impact on the future."

The 73-year-old Koop's strong feelings about the Missouri case, the first "right-to-die" case the High Court has ever heard, added drama to the climactic moments of his remarks Thursday night at Salem State College's O'Keefe Athletic Center.

He was the first of three scheduled speakers for the 1989-1990 school year. Colorado Rep. Pat Schroeder will speak Feb. 12 and political satirist Mark Russell will appear April 23.

Koop, who waggishly told his audience "I look like a president — but not a recent one," was interrupted a number of times by applause and when his speech concluded people in the packed hall stood to give him a standing ovation.

Koop called himself "pro-life on AIDS, alcohol, tobacco, family violence and the issue of handicapped children," a broader spectrum of respect for the sanctity of human life. His talk focussed on AIDS, tobacco and the need to improve health care for all Americans, including the many who have no health insurance of any kind.

Nancy Cruzan, now 32, has existed in a coma since a motor vehicle accident nearly seven years ago. Her family sued the hospital, seeking to have them remove her feeding apparatus so that she can die. The state of Missouri opposes the family, claiming that Cruzan's death would be a form of suicide.

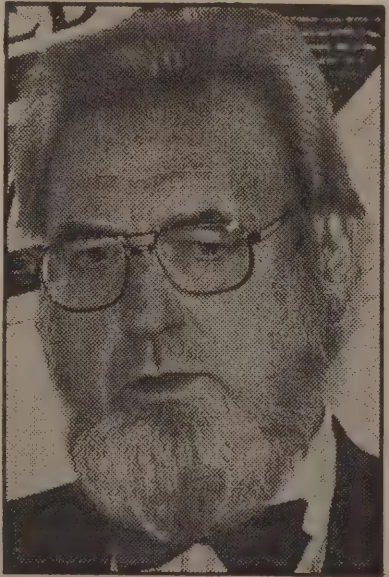
The one thing a doctor should never be asked to do is kill a patient, said the 40-year veteran surgeon. "I can't think of a worse case for the Supreme Court to take on. This is a no-win situation."

"I think it's the family's privilege to want to do that(let Cruzon die)," Koop said, "but I think this never should have become a legal issue. It should have been settled in the realm of trust between family, patient and physician."

His blunt statements on the case were interrupted twice by prolonged applause, a frequent occurrence for the man appointed surgeon general at the age of 65 by President Ronald Reagan.

Koop's strongest criticism was reserved for his most dogged opponents, the tobacco industry, charging that there are "no more obtuse, heavy-handed and untruthful corporations" than the manufacturers of cigarettes.

With the O'Keefe center's large "No Smoking" sign on the wall to his left, Koop went on to attack the tobacco industry's exportation of high-tar American cigarettes to Third World countries, "scouring the Earth for new victims."



DR. C. EVERETT KOOP
Speaks at Salem State

Item photo: Walter Hoey

He called it "the height of hypocrisy" for the United States to ask South American countries to curtail cocaine traffic "while we export nicotine. We're not going to succeed in South America until we bite the bullet on what we do in the Third World," he warned.

As a doctor, he gave his predominantly youthful audience a prescription for a disease-free aging process, citing preventive health care as capable of postponing up to 70 percent of fatalities.

"Disease prevention is the responsibility of each individual," he cautioned them. "The patient can no longer take a passive role, following doctor's orders." He added, "Everyone in America can afford this prescription, but I'm not sure that everyone will be able to afford a quadruple bypass."

In a press conference before his talk, Koop advised one of several young reporters on hand from "Children's Express" that smoking-related diseases kill 380,000 people a year, compared to 50,000 annual alcohol related deaths.

"The number of people who have died from AIDS is equal to the number of people who die from smoke-related deaths every four months," he said.

On the subject of AIDS, Koop said he opposed quarantining patients because "it doesn't work." He pointed out that AIDS is not transmitted by casual contact and does not affect any of the ways the disease is transmitted: sexual relations, sharing needles or from mother to baby.

Koop believes that his AIDS education program is lowering the number of cases. He is also proud that his plan to graduate a smoke-free class from America's high schools in the year 2000 is off to a solid start after three years, and that the number of smokers declined from 33 to 26 percent of the population during his eight-year tenure.

Now in retirement, he is at work on his memoirs, touring the country as a lecturer and planning five prime time television specials.

GLOBE 12/11/89

GLOBE STAFF PHOTO / FRANK O'BRIEN

Frederick Wiseman's film, "Near Death," was shot in the intensive care unit at Beth Israel Hospital.

Documenting the deathwatch

Film captures life ebbing away in Beth Israel Hospital

By Alexander Reid
GLOBE STAFF

CAMBRIDGE – Frederick Wiseman, who has produced films about basic training, fashion models and horse racing, has made a movie about death.

It is a compelling, and in some moments depressing, depiction of an inescapable drama – medical decisions about the terminally ill – that awaits thousands of us. In an age of advanced medicine that has enabled doctors to save lives in the face of the most severe afflictions, the movie, "Near Death," shows events that are not for the squeamish.

"Almost everyone has contact with a hospital," said Wiseman in an interview at his Cambridge apartment. "Either we're born in one or we die in one. There is a troubling aspect about death, about dying that most of us don't consider until it's thrust upon us."

The six-hour film, which will be shown on public television next month, was shot in the medical intensive care unit at Beth Israel Hospital in Boston.

The film captures doctors and nurses struggling to save or prolong lives while sometimes wondering aloud whether their efforts are worthwhile. In every case, the patients are as close to death as a person can come.

A doctor explains to a patient the futility of connecting him to a machine that will enable him to breathe. "Your lungs are about as bad as they can get," she says.

Another, contemplating the chances of recovery for a man with a lung disease, says, "It's a question of him dying today or him dying three days from now."

Throughout the film, doctors, nurses and families wrestle with a central question: Should a life be prolonged if there is little or no chance for even a partial recovery?

It is a decision many of us will make – if not for ourselves, then for a sibling, a parent or a grandparent. The film presents no solutions, no easy answers. Its impact is unsettling.

The doctors and nurses, who work oblivious to the roving camera, seem almost battle-hardened by the days spent with their terminally ill patients in rooms filled with some of the most sophisticated medical equipment in the world. One doctor compares his work to "rolling the rock up the hill and having it come down again."

WISEMAN, Page 29

Fighting disease in the 90's

Scientists hope to achieve major breakthroughs

By **MALCOLM RITTER**
Associated Press

Editor's note – In laboratories around the world, researchers are developing weapons to defend against life's biggest killers. They look for major steps forward in the 1990s. This is one of a periodic series of articles, "The '90s," looking ahead to the promise and peril of the upcoming decade, in the environment, medicine, technology and society.

Two big killers will count their victims in the millions in the 1990s – 13 million American lives claimed by heart disease and cancer if the current fatality rate continues.

But medical researchers hope to strike some telling blows against these deadliest enemies in the coming decade. They don't expect cures; instead, they look for new insights to help them attack the diseases from many directions.

Better understanding of cancer-causing genes and how to block them, for example, and of cancer-suppressing genes and how to harness them, would give medical scientists crucial new weapons to wield against cancer, which will kill an estimated 500,000 Americans this year.

And new discoveries about the relationship of diet to heart disease might lead to innovative treatments for the nation's leading killer, cause of 767,000 American deaths in 1988, about one-third of the deaths from all causes.

Just about everybody has heard about eating right to avoid high levels of cholesterol in the blood. Cholesterol can promote atherosclerosis, a narrowing of the arteries that sets the stage for heart attacks.

But in the next decade, "we may learn that what you eat is more important than just what it does to your cholesterol," said Rodman Starke, the American Heart Association's senior vice president for scientific affairs.

"We are beginning to see glimmers of evidence" that some dietary substances may affect atherosclerosis risk independently of any impact on cholesterol, he said.

They may also promote blood clotting, which can be a cause of heart attacks when it occurs in narrowed arteries that feed blood to the heart muscle, he said.

Scientists may also find better ways to prevent heart attacks as they learn more details about what triggers them in people with atherosclerosis, said James Willerson, chairman of the heart association's research committee.

He also said researchers may find a way to identify people at risk for sudden cardiac death, a lethal disruption of the heart's pumping rhythm, and develop better techniques to prevent it.

Other potential developments Starke or Willerson suggested for the 1990s include:

- Greater understanding of the complex events that produce atherosclerosis, perhaps leading to treatments to reverse or avoid it.
- Improved clot-dissolving drugs to stop heart attacks. Researchers would like to reduce side effects, confine the anti-clotting effect to places where it will do good, and stop the effect of the drugs when needed to avoid risk of excessive bleeding.
- Better understanding and possible prevention of a re-narrowing of atherosclerotic arteries after a procedure called angioplasty is used to widen them. This occurs in 25 percent to 40 percent of patients who go through angioplasty and is a major stumbling block to the procedure's success, Willerson said.

As with heart disease, some of the advances experts hope for in the fight against cancer in the 1990s deal with prevention.

Researchers may find genetic tests to identify people at high risk for cancer of the colon or breast, and probably some other common cancers as well, said John Laszlo, the cancer society's senior vice president for research.

Warnings and instructions about prevention should pack more wallop for those people than the blanket recommendations now given to everybody, he said.

"When you're talking about the possibility of changing your diet for your lifetime, it would be nice to know ahead of time whether it would be important for you to do that," Laszlo said.

Another payoff in identifying people at particular risk for certain cancers would be the ability to learn more about effectiveness of preventive steps, said Vincent DeVita, former National Cancer Institute director.

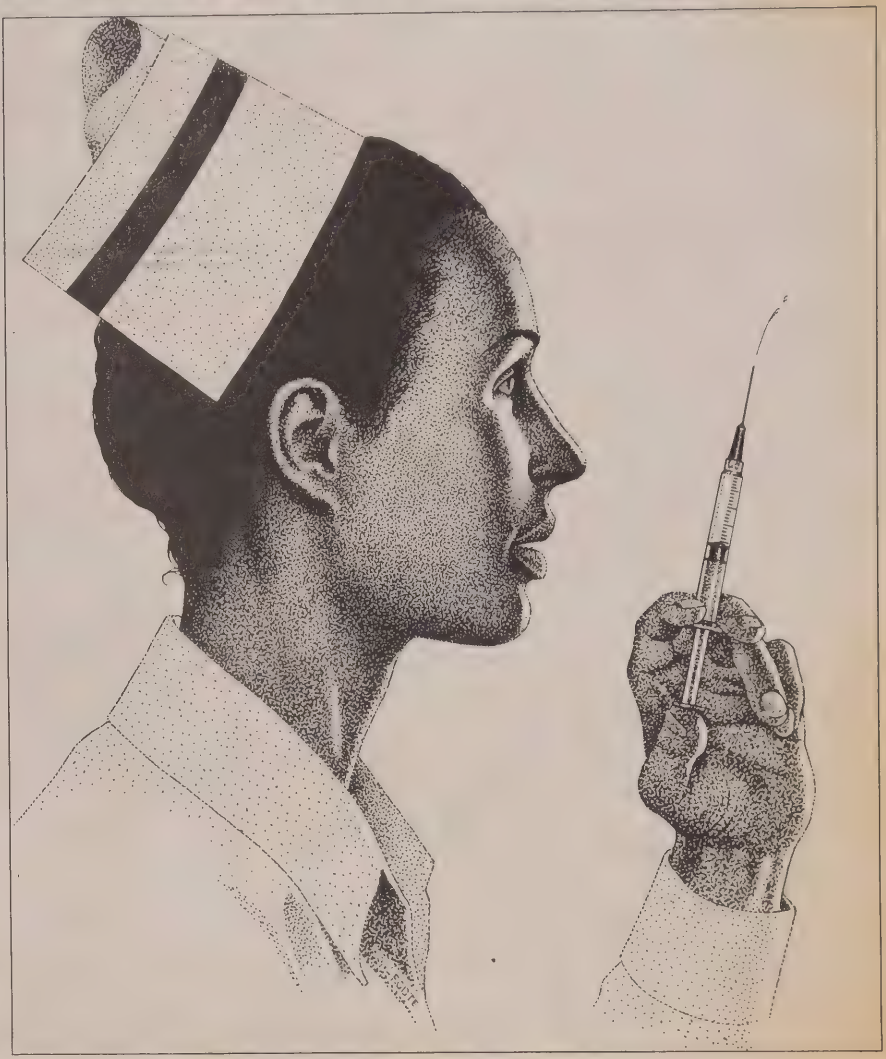
If experiments can be focused on people at high risk, researchers can get better information on how much of a diet or lifestyle change is needed, and for how long, in order to cut cancer risk, said DeVita, who is physician-in-chief at the Memorial Sloan-Kettering Cancer Center in New York.

He and Laszlo also expect progress in making chemotherapy more effective by sabotaging the ability of some cancer cells to resist it. That could help treatment of many kinds of cancers, and particularly those of the breast, colon and pancreas, they said.

Among the other possible developments in the 1990s suggested by DeVita or Laszlo:

- The first experiments in people with "anti-sense" DNA, substances designed to block the effect of cancer-causing genes.
- Routine use during chemotherapy of recently discovered colony-stimulating factors, allowing higher doses of medicine. The substances counter a major side effect of chemotherapy, decreases in infection-fighting white blood cells.
- Advances in the use of monoclonal antibodies, molecules that can seek out and bind to cancer cells, to deliver radiation treatment or to keep cancer cells from responding to substances that spur their growth.
- More research into suppressor genes, which act to prevent development of cancer. Perhaps the substances they direct cells to make can be harnessed to fight cancer, DeVita said.

"Theoretically it should work, and technically there's no reason it can't be done," he said. "[illegible] stay tuned."



Most body parts will be replaceable

By **MARCIA DUNN**
Associated Press

PITTSBURGH – Transplant surgeons expect to be able to replace almost every part of the human body during the 1990s, but they fear such medical feats will have little impact unless more people donate organs.

"I see another decade of progress equal to the last decade, but that won't happen until we figure out the organ donor problem a little bit better," said the University of Iowa's Dr. Robert Corry, president of the United Network for Organ Sharing.

Organ donation has been at a standstill the past few years, despite laws requiring hospitals to discuss the subject with relatives of brain-dead patients.

"One of the goals is that one of these days organ donation will be viewed as commonplace as giving blood," said Linda Sheaffer, director of the federal Division of Organ Transplantation.

"Can we achieve that in the 1990s? I'm just not sure," she said.

Doctors hope to ease the crunch in '90s by transplanting animal organs into humans. Such a cross-species transplant has not been attempted since 1984, when California surgeons put a baboon's heart into a 12-day-old girl. She died 20 days later.

Advances also are expected in the quest for artificial organs, especially heart assist devices, that can be implanted permanently.

Less flashy, but no less important, are efforts to attain long-term transplantation success without anti-rejection drugs that suppress the patient's entire immune system, and to extend the shelf life of donated organs.

Doctors are working to perfect pancreas, lung, intestinal and reproductive organ transplants and to replace limbs with cadaver parts.

About the only irreplaceable part seems to be the brain.

"It's a question of identity," Starzl said. "If you found a body for the brain, you'd transplant the body to the brain. It's a subtle distinction. I wouldn't have any plans for that."

Whatever the advances, however, the donor flow may remain a problem.

"The whole thing would be revolutionized overnight if you could do something about that," said transplant pioneer Dr. Thomas Starzl of the University of Pittsburgh. "When there's a crack in that wall, it's going to be like the Atlantic Ocean pouring through."

Studies show almost all Americans are aware of organ donation and view transplantation favorably. But only a slight majority express willingness to give loved ones' hearts, livers, kidneys and other vital parts so others may live. Fewer still want their own organs donated upon death.

A record 18,500-plus people are awaiting organ transplants in the United States, according to the organ network. The list grows daily, as do the number of nagging questions concerning who gets what and who pays.

"In some respects, I think it's just as well there's a limited supply of donor organs," said Roger Evans, a senior research scientist at the Battelle Seattle Research Center.

"When you think of 1,647 hearts (transplanted in 1988), it really is not that big a deal," Evans said. "If we had more donor organs, it would ... raise more questions of how we can afford to offer this technology."

Bev Times 12/9/89

Holiday blues

The Beverly Hospital's Cancer Support Group will address the issue of fighting the holiday blues at its regular meeting Tuesday, Dec. 12, from 7 to 8:30 p.m. The group will meet on the sixth floor (Bartley) of the Johnson Building.

The Beverly Hospital Cancer Support Group meets the second and fourth Tuesday of each month. However, due to the holidays, the Dec. 12 meeting will be the only one this month.

For more information, please call Sally Norris or Shirley Harris at Beverly Hospital's Social Service and Continuing Care Department, at 922-3000, extension 2710.

Beverly Hospital affiliates with Tufts Health Plan

SAL News 12/8/89

BEVERLY — Beverly Hospital has signed an affiliation agreement with the Tufts Health Plan that will significantly broaden the health care options available to North Shore communities, Tufts officials said in a press release. The affiliation, the release added, comes as part of Tufts Health Plan's 1988 alliance with VHA HealthFront, the Massachusetts branch of Voluntary Hospitals of America, the nation's leading network of non-profit hospitals.

Medical examiner wears many hats

By DAVID SCOTT
Times staff

BEVERLY – Jack Klugman's portrayal of the medical examiner, Quincy, in the now defunct television show of the same name, can't hold a candle to the real life job of the local medical examiner.

On the job

For the past 22 years Dr. Russell Rowell, a lifetime resident of the city, has been the medical examiner for the seventh Essex District which includes Beverly, Wenham and Manchester.

However, medical examiner is not the only title Rowell holds, and his medical capacity goes beyond the hands on application into the administrative side.

"It's a new plateau, and one which I'm enjoying the fulfillment of," said the distinguished 69-year-old graduate of Tufts University.

The plateau Rowell has reached is one that has been achieved through perseverance and a steady climb toward the position he holds today as the Medical Director for John Hancock Preferred and John Hancock Medical Health Services eastern division based in Lynnfield.

But before he found his way into the director's position, Rowell served his time as the commanding officer on a U.S. Army transport during World War II. The transport carried over 5,000 troops between the states and Europe, Rowell said.

It was during that period in the armed forces that Rowell became interested in the fairly new procedure of anesthesiology. Anesthesiology is the practice performed before surgery so that the patient loses partial or total feeling of pain, touch and temperature.

"The changes in anesthesia particularly have been tremendous," said Rowell in a contemplative manner. "The filed has grown by leaps and bounds."

Dr. Russell Rowell

Rowell, the father of two sons, is a quiet, soft spoken man who finds pride in the different tasks he performs. He openly will discuss the aspects of his executive duties as well as those involved in being the city physician, but mention the job of medical examiner and Rowell prefers not to go into detail.

"Dealing with families there is a certain sadness," said a solemn Rowell. "These are really critical events that need compassion and empathy."

However his silence on dealing with autopsies does not make Rowell's job any less important.

"It's such an important aspect to the practice of medicine," said the former football player for Beverly High School and Tufts. "It's important ... for the public to understand as best they can all the factors (affecting the death)."

It makes no difference which hat Rowell decides to wear, he is very content with all of the jobs he holds and has held.

"It's taken me all over the world, I've met extraordinary people," Rowell said. "And the patients I've come in contact with have affected me."

BEVERLY

Laurel Ridge foes stall ConCom hearing a week

BEVERLY — It was October 1987 when Beverly residents got their first glimpse at plans for what was then called Stone Ridge, a 231-unit congregate elderly housing development proposed by Beverly Hospital for construction off Hale Street near Endicott College.

Two years and two months later, the project is now named Laurel Ridge (changed to prevent confusion with Stone Ridge Road in Beverly Farms), and has been reduced to 190 units.

It is still the largest proposed residential project in Beverly, and it is still awaiting city approval.

Beverly Hospital, the would-be developer, is now close to completing its trek through the Beverly Conservation Commission. The commission was expected to close the public hearing portion of the application Thursday night, but at the emotional requests of opposing residents, extended the hearing another week.

The ConCom has 21 days from the date the hearing closes to issue a so-called order of conditions, which deals with protected wetlands. It could reject the entire project, but would have to cite specifically where the developer did not address environmental concerns.

As has been the case at past meetings, more heat than light was shed on the project, as a vocal band of residents once again criticized the project as inappropriate for the area.

The residents have already appealed in court the project's approval by the Planning Board. A resolution to that appeal could take years, according to Benjamin Eisenstadt, an abutter and lawyer for the residents.

Paul F. Sommer, an environmental consultant for the hospital, stood beside plans Thursday night at City Hall and described how the hospital has taken steps to reduce the impact on the wetlands, and on surrounding properties.

Key issues discussed Thursday were the planned blasting procedures and the water runoff on nearby properties.

Sommer raised eyebrows of some residents when he said 54,400 cubic yards of ledge would have to be blasted, with about 42,000 cubic yards of that being removed from the Hale Street construction site.

Several commissioners told commission chairman Raymond Bouchard they were not prepared to close the hearing because they had not yet reviewed the latest information submitted by Sommer. Bouchard, who is leaving the commission at the end of the month, said earlier he wants to resolve the Laurel Ridge issue before then.

Robert Fanning, president of Beverly Hospital, appeared discouraged, but after conferring with hospital officials, consented to a week extension.

"I don't think the thing should be extended indefinitely," said Stephen M. Leonard, attorney for the hospital.

> *Paul F. Somner, an environmental consultant for Beverly Hospital, raised eyebrows of some residents when he said 54,400 cubic yards of ledge would have to be blasted, with about 42,000 cubic yards of that being removed from the Hale Street construction site.*

The band of neighbors called upon commissioners to consider the project carefully.

"We're invested a lot of time and a lot of money, too," said Stephen Crane of Robin Road. "All we're looking for is to have it done right."

Under the zoning arrangement of congregate housing, residents share common areas such as kitchens or dens. The zoning allows for more dense living arrangements aimed at elderly or handicapped persons who cannot live in total independence, but who can handle most day-to-day living.

MANCHESTER CRICKET

DECEMBER 8, 1989

Beverly Hospital Affiliates With Tufts Health Plan

Beverly Hospital has signed an affiliation agreement with the Tufts Health Plan, which will significantly broaden the health care options available to Boston's North Shore communities. The affiliation comes as part of Tufts Health Plan's 1988 alliance with VHA HealthFront, the Massachusetts branch of Voluntary Hospitals of America, the nation's leading network of nonprofit hospitals.

In fulfillment of the VHA HealthFront agreement, Tufts Health Plan will add nine hospitals and approximately 800 physicians to its health care network by the end of 1989. With major extensions to the north and west of Boston, Tufts Health Plan now offers the largest geographic coverage of any major Massachusetts HMO (Health Maintenance Organization.)

In addition, Tufts Health Plan is the only Massachusetts HMO to also offer a Preferred Provider Organization (PPO), which permits members to select a physician outside the HMO network and still achieve significant health insurance cost savings. Both options are based on the principle of managed care, which is designed to help eliminate wasteful health care spending (an estimated 25 cents of every health care dollar is wasted) by managing the delivery of care through a Personal Care Physician.

"Now Tufts Health Plan, Beverly Hospital and its physicians, have combined their resources—the hospital's solid 100-year medical tradition and innovative family-centered philosophy, and the benefits of the Tufts Health Plan's managed care approach—to offer the community quality, cost-effective medical care," says Dr. Harris A. Berman, Tufts Health Plan President.

"We are pleased to have come to an agreement with the Tufts Health Plan," says Jeanne Holland, vice president of Ambulatory and Alternative Care Services at Beverly Hospital. "We are confident that it will provide growth opportunities for the plan and Beverly Hospital, while providing optimal care for the community," adds Holland.

Founded in 1981 and with nearly 150,000 members today, Tufts Associated Health Plan offers a provider network that includes 26 affiliated hospitals and 2,500 physicians in private practice.

Bev Times 12/8/89

PAGE A3

Laurel Ridge hearing to be continued another week

By KELLEY BOUCHARD
Times staff

BEVERLY – Unanswered concerns about blasting and drainage at the proposed Laurel Ridge senior citizens housing project prolonged last night's Conservation Commission hearing to next week.

Beverly Hospital officials were back before the commission in a forum continued from last October, when they unveiled the latest in two-years' worth of planning for the 190-unit congregate housing development.

The developers need the commission's approval because the 39-acre property near Endicott College contains state-protected wetlands, including a brook that eventually runs into Beverly Harbor.

The commission continued the hearing for another week to give Public Works Commissioner Alan Taubert a chance to go over the plans. Neighbors of the Hale Street area project also asked for more time to have their engineering consultant review the plans.

The Planning Board approved the project earlier this year, a decision that has been appealed by the neighborhood group.

The commission is concerned that runoff water passing through the development's drainage system may contain heavy metals from parking lot residue that could pollute nearby wetlands and waterways.

Robin Road resident Stephen Crane mirrored the sentiment of many neighbors and commission members when he encouraged the developers to take deeper test borings into wetlands on the 39-acre property.

Crane questioned the developers' assessment that the property's bedrock layer was nearly solid but "not completely unfractured" – a factor that might allow runoff water in two retention ponds to pollute the underlying aquifer.

Commissioner Vincent Cotreau questioned the developers' blasting schedule and proposed use of dynamite, saying that he was expecting "something a little more specific."

Paul Sommer, the project's environmental design representative, said it would be impossible to determine exactly how much dynamite would be needed until blasting was imminent.

"I can't be specific," Sommer said. "Charges would be set to produce only the desired effect. Shock waves would not travel a great distance."

Sommer said officials from the Fire Department would be on hand to monitor blasting.

Fri.
Dec 8/89
WSJ

that will benefit the winners," says Powell Woods, vice president for human resources at Nestle's U.S. operations.

Employers, facing annual health cost increases of at least 20%, should reap substantial savings by negotiating favorable contracts with the best providers in return for a steady flow of patients. At quality hospitals, there should be cost savings from fewer unnecessary X-rays, diagnostic tests and surgical procedures.

Another expectation is that hospitals will either improve or phase out low-quality services; some hospitals may merge or close altogether.

But there could be drawbacks. For instance, says Willis Goldbeck, president of the Washington Business Group on Health, if well-insured patients fill high-quality hospitals, they could lock out or displace Medicaid or underinsured patients, forcing them to settle for lower-quality care.

The first big test for the program, called Cleveland Health Quality Choice, is whether the medical community can develop a fair and useful evaluation system based primarily on how well patients fare after being released from hospitals. If hospitals and doctors "come back and say medicine can't be measured, then they will have told us to price-shop," says Mr. Woods.

Assuming an evaluation method is agreed on, implementation is planned for 1992.

Computers Sharpening Emergency Room Skills

NEW TECHNOLOGY aims to improve record keeping in hospital emergency rooms and trim malpractice insurance costs.

Paradigm Insurance Co., a Louisville, Ky., malpractice underwriter, offers premium reductions of 5% to 40% to emergency room doctors who take courses and use computers to improve skills in recording patient data. "One of the biggest problems we have is going into court [without] eliminate up to two hours of record keeping on a 12-hour shift, and 95% of charts are filled out completely, compared with about 10% for handwritten charts.

Hospitals Team Up To Trim Workers' Comp

EVEN HOSPITALS face rising employee health costs, and a big one is workers' compensation insurance.

Lifting patients and getting puncture wounds from hypodermic needles help make hospitals prone to workplace injury. But even those with good records face soaring workers' compensation premiums in some states.

So seven Massachusetts hospitals were interested when Tufts Associated Health Plan, a Waltham, Mass., health maintenance organization, proposed a two-pronged approach: self-insurance and close monitoring of each worker injury case.

The hospitals formed a self-in[illegible] total of $2.5 million into a workers' compensation fund—the same amount they would have paid to private insurers. The goal: save 20%, or $500,000 of the $2.5 million in the first year.

Tufts Health Plan administers the fund and promises, among other things, that a nurse will contact injured employees within a day of claims being filed.

The early involvement is intended to ensure that the worker gets quick treatment and gets back to work sooner, says James M. Walter, senior vice president at Tufts Health Plan. Adds William Donaldson, a vice president at Beverly (Mass.) Hospital and president of the self-insurance group: "It's good psychologically for the worker, and it's good for the employer because it reduces cost from lost work time."

Odds and Ends

WHEN GROUP Health Cooperative of Puget Sound, a Seattle health mainte-

---

Newspapers Warily S

Big Drawback: Most Machines Aren't in Homes

By Patrick M. Reilly
Staff Reporter of The Wall Street Journal

Newspapers ranging from the New York Times to the Knoxville News-Sentinel are experimenting with facsimile editions, news summaries transmitted to fax machines.

Connecticut's Hartford Courant, published by Times Mirror Co., was the first major daily newspaper to create a daily fax edition, a one-page publication launched last April. In mid-November, Knight-Ridder Co.'s Journal of Commerce began Datafax, a digest-form fax edition of the next day's paper for the U.S. and Europe.

The New York Times Co. will publish TimesFax starting in January, transmitting daily synopses of news, business and editorials to Asia. The Los Angeles Times, also a Times Mirror publication, says it will launch NewsFax, a four-to-eight-page fax newspaper beamed to Moscow, by year end. Dow Jones & Co., which publishes this newspaper, is evaluating fax editions drawn from the columns of The Wall Street Journal.

Almost all of the fax editions are general interest in content, including sports, weather and business coverage. But readership is generally business, because that is where the fax machines are.

The editions usually are designed to look like the newspapers they represent, using the same type and headline styles, but with no photographs. The New York Times, for instance, describes TimesFax as a miniaturized version of the newspaper in look and tone.

Most newspapers exploring the fax market are eager to create new sources of revenue to help offset softness in advertising or circulation. But if past experiments with electronically delivered publishing products are any indication, it may be hard to woo readers.

Although fax machine sales are on the rise—there are an estimated 3.5 million fax machines in use in the U.S. and that number is growing at an annual rate of 60% to that as a newspaper you are going to make money from it," says Jerry Brodsky, president of the American Facsimile Association, of Philadelphia, which serves as a trade group.

"At some point in this rush, reality has to set in," says Phil Fuhrer, vice president of Gannett New Media, a research and development division of Gannett Co., publisher of USA Today and many other papers. "Are we creating products for fax machines just because the machines exist? If a fax newspaper is just a report on news from a foreign country or the stock market close, you can get that on CNN."

Mr. Fuhrer says Gannett has been approached by MCI Communications Corp. and others to offer a number of different electronic news services, including a fax summary of USA Today. Another of the possible products is an 800 or 900 number—dialed from a fax machine—that subscribers call for summaries of national news, business or sports.

MANY EDITORS ARE
fax editions because o
electronic publishing. 'We
burned again,' says Don Al
Times. 'But we also don't w
be the wave of the future.'

"We haven't decided what to do because we don't want technology to drive the content, but we are entertaining ideas," says Mr. Fuhrer.

Some papers are particularly cautious because of past failures with electronic publishing. In the mid to late 1970s, newspaper publishers believed electronic newspapers, delivered to people's personal computers or television sets, were the wave of the future. Such ventures had high start-up costs and were greeted with little enthusiasm by readers. Most newspapers scuttled their expensive electronic projects in the 1980s; among them was Times Mirror's Gateway videotex service, which folded in 1986.

"It wasn't a viable business venture," says Don Alpert, executive editor of the Los Angeles Times NewsFax. "One reason we are moving cautiously is the experience we had in videotex. We don't want to get

Insurance fear brings rift on urine test for AIDS

By Joe R. Neel
SPECIAL TO THE GLOBE

NEW YORK – Researchers have developed a urine test for antibodies to the AIDS virus that may soon be turned into a home test kit, but after the first approved use of the procedure, gay rights activists and legal specialists have expressed concern that widespread use of the test would lead to the denial of insurance benefits for many people.

Limited rights to use the test have been granted by its patent holder, New York University, to the nation's largest insurance testing lab, Home Office Reference Laboratory of Lenexa, Kan.

According to the president of Home Office Reference Laboratory, Kenneth A. Stelzer, the test will be offered early next year to its 800 life and health insurance company clients trying to find out which applicants for insurance policies are infected with the human immunodeficiency virus that causes AIDS.

In return for the rights, which are restricted to insurance testing only, NYU will receive more than $1 million for AIDS research from the firm, Stelzer said.

Because the test does not involve drawing blood, some health specialists said it might revolutionize the way people are tested for HIV.

Advocates say a home urine test for HIV would mean more people would get treated for the infection at an earlier stage. They say few of the 1 million HIV-infected people in the United States know they have been exposed to the virus. Doctors say early treatment prolongs life.

Many people have shied away from testing, fearful of discrimination and the emotional impact an HIV diagnosis carries, said Dr. Marcus A. Conant, a University of California physician with a large AIDS practice in San Francisco. "More people would get tested if a confidential home kit were available," he said.

Studies are slated to begin in early 1990 on a urine test that would allow doctors to test for HIV in their offices, said Howard Urnovitz, president of California-based Calypte Biomedical, one the companies involved in test development.

If perfected, this method ultimately could be used in a home test kit. Urnovitz said he and Conant also plan to study a prototype home test in 100 medical students next spring. Other companies are developing similar tests.

But activists are concerned that people testing themselves at home will not get adequate counseling. And they also are upset that insurance companies are the first to use the test.

> **'Giving an easier HIV antibody test to an insurance company is like giving keys to the chicken coop to the wolf.'**
>
> ROBERT BRAY
> *Gay and Lesbian Task Force*

"Giving an easier HIV antibody test to an insurance company is like giving keys to the chicken coop to the wolf," said Robert Bray, a spokesman for the National Gay and Lesbian Task Force. Conant said: "This test should not be used for insurance testing," while a biomedical ethicist at Harvard, Lawrence O. Gostin said scientists "need to go slow" in developing applications.

"This test is not trivial," said Gostin. "No other test tells you so clearly that you're going to die at some point in the future."

A New York gay rights attorney, David Barr, said he thinks the insurance issue "has already been lost." Court decisions and laws now permit health and life insurance testing for HIV in all states except California, he said.

Barr said because it will be cheaper and easier, the urine test will allow companies to expand screening to groups not now tested.

Stelzer said he plans to offer the test to insurers who want to screen small group policies and "other cases where maybe they didn't do any testing in the past."

NYU's vice president for industrial relations, Isaac Kohlberg, said the testing agreement was rached because a lengthy Food and Drug Administration review was not required for the test and because of the size of the grant.

The university's main goal, Kohlberg said, is to promote the test "to benefit mankind." Negotiations with companies to develop the test in medical and home settings "are ongoing," he said.

So far, the urine test has been studied in 500 people, and the results were most recently presented at the international AIDS conference in Montreal last June, according to the test's developer, said a NYU dermatologist, Dr. Alvin E. Friedman-Kien.

Further data will be presented at a meeting in Colorado next March, he said, and will show that the test is 99 percent accurate. A study in Africa also has been proposed.

Friedman-Kien, who developed the test with NYU's Dr. Yun Zhen Cao, was one of the first doctors to discover AIDS. He said the test might someday be used as a home test to "check out your lover" before having sex.

He predicted that the test could be a "great boon" to Third World countries hit by HIV, where lack of sterile needles makes blood testing difficult.

FDA spokesman Brad Stone said the agency has declined to approve any home test kits with blood or urine because of concerns about test accuracy and adequate counseling. He said the insurance testing plan does not require FDA approval.

Gostin said the counseling issue alone makes home testing ill-advised. "What's going to happen when the person takes the test home, shaking and scared, puts urine in the bottle and then looks at the result? Nobody's going to be there to comfort them, to tell them what it means or tell them what to do. That's the real danger."

GLOBE
12/11/89

The Medicare gap

Funding American health care is beginning to break down as the buck passes from the federal government to states and from tax rolls to health-insurance premiums. The question of the hour is who will pay the huge, short-term medical costs of the elderly that are not covered by Medicare.

Many of the gaps in Medicare were to be covered by the 1988 Catastrophic Coverage Act, but it was so poorly constructed Congress was driven to repeal it. Repeal, however, does not wipe out the medical expenses it was to cover.

Medicare does not pay the first $540 whenever an elderly person enters a hospital; nor all of the bill for doctor or clinic visits, tests or home care. Medicare shuts off after 90 days in the hospital – until a new episode of sickness begins. Except in the hospital, it pays nothing for prescription medicines, which can cost thousands of dollars a year. And Medicare does not pay for nursing home care.

Before the Catastrophic Coverage Act, those elderly people who could afford it bought private insurance to cover the Medicare gaps for acute illness. Or their families or former employers, as part of a retirement plan, bought it for them. For those poor enough, gaps in Medicare shift over to Medicaid, the state-federal medical coverage for impoverished Americans.

Repeal of catastrophic coverage throws all those gaps in Medicare back on the elderly, their families, former employers and the states. Since they could not keep up with the expense – which is why the law was devised – efforts are under way to shift these medical costs onto workers and employers as a surcharge on their health-insurance premiums.

For Massachusetts, repeal of the law bodes to add $90 million to the $1.6 billion Medicaid budget. The far larger loss will be the imposition of a $100 million deficit (atop an existing $50 million deficit) on Massachusetts Blue Cross-Blue Shield's Medex plans, which bridge the Medicare gap for elderly subscribers.

By law in Massachusetts, the Blues must offer such coverage. About 400,000 elderly people in Massachusetts subscribe to Medex, about 85 percent of all those with such plans. Losses due to Medex are paid from reserves – reserves created by surcharges on the Blue Cross premiums of workers and businesses.

Were the elderly left to absorb the expected Medex loss, their monthly premium would rise from $49 to $86. Sen. John Houston (D-Worcester) has proposed spreading the Medex loss among all workers' premiums – not just those with Blue Cross. But workers and employers are facing a 20 percent increase in their own premiums. They are already saddled with a $300 million "free care" tab for those with no coverage.

The Medicare gap is only one of many problems that bedevil health-care financing. None will go away. Congress needs to face the inevitability of a national health-insurance plan. It is time for states, workers and business to demand it.

Hunt Hospital passes test for accreditation

DANVERS HERALD
12/7/89

Hunt Hospital has been accreditated by the Joint Commission on Accreditation of Healthcare Organizations.

The hospital, which was examined by JCAHO officials in September, received word Tuesday it had passed the on-site test.

The voluntary accreditation is for a three-year term.

Hospital patient-care records are surveyed by JCAHO examiners, as are minutes of meetings, staffing levels, equipment and so on. Town Manager Wayne P. Marquis said JCAHO examiners met with hospital staff and twice with him.

The hospital was cited for its extensive monitoring of all areas of service and for its ability to use the results of that monitoring to make effective changes, said Barbara Jackman, chief operating officer of the hospital.

Among its recommendations, the accreditation study suggested the hospital take a more integrative approach to solving problems systemwide, she said.

"We feel very, very good," Jackman said of the accreditation, which is retroactive to Sept. 7.

Poverty rate drops for Hub's families

By Irene Sege
GLOBE STAFF

The poverty rate among Boston families has declined over the past decade while the rate of family poverty in Massachusetts has remained virtually unchanged, according to a new report.

Despite the improvement, the "Massachusetts Miracle" still left large numbers of Bostonians in poverty. One in every five families in the city – and more than one-third of children under 6 – are poor or near poor. Among the city's growing Hispanic population, the poverty rate remains staggering: Three in every four Hispanic children in Boston are poor or near poor.

The findings are contained in a report by the Boston Foundation released today. The study, a copy of which was obtained by the Globe, is based on a survey of 17,000 Boston households and longer interviews with 2,000 of those households. It is the most comprehensive look at the city's residents expected before results of the 1990 census are available.

"Boston poverty has decreased since 1980," the report stated. "The substantial poverty which remains in 1989 is a phenomenon of women, single parents, families, minorities and the disabled."

The foundation report comes five months after a study prepared for the state's Executive Office of Economic Affairs, which analyzed Census Bureau data and a survey of Boston's low-income neighborhoods.

POVERTY, Page 14

overty rate drops for Hub families

■ POVERTY

Continued from Page 1

That report found the family poverty rate in the state virtually unchanged between 1979 and 1987. Boston's poorest neighborhoods, according to the earlier survey, experienced a modest decline in the rate of family poverty.

Taken together, the two reports suggest that the Massachusetts economy of the 1980s did more to help the poor in Boston than in the rest of the state. They also suggest, for Boston as well as the state, the limits of a full employment economy and social welfare policies that were among the most generous in the country.

Boston in different track

"This shows Boston is in a very different track," said Paul Osterman, the Massachusetts Institute of Technology labor economist who conducted the Boston Foundation survey. "I think the rest of the state has improved but not as much as Boston."

Andrew Sum, the Northeastern University labor economist who wrote the state's report, agrees. Welfare statistics, he noted, indicate a 13 percent drop in Boston cases between 1984 and 1988, compared with a 3 percent decline statewide.

"Boston is clearly doing something different from the rest of the state," Sum said.

The survey was conducted when the state's economy still appeared strong and before the recent cuts in state spending.

"It shows you can't make progress without a strong economy," Osterman said. "At the same time, Massachusetts has been a generous state in terms of social policy. That's as much part of what's happened in the last eight years as the economy."

"Poverty is much more institutionalized," said Jay Ostrower, director of training for Action for Boston Community Development, the city's largest antipoverty agency. "We need to focus our attention. This is particularly true in an environment where we are losing resources."

The Boston Foundation study, which focused on households headed by a person of working age, excluded the elderly, college students and the homeless. In analyzing poverty, it included the poor and near poor – households with incomes up to 125 percent of the federal poverty level – to take Boston's high cost of living into account.

Overall, in the population Osterman surveyed, Boston has gone from a city that was 64 percent white in 1980 to one that is now 55 percent white, with the decline in whites' share of the population made up by Hispanics and Asians, not blacks.

Blacks account for almost a quarter of the city's population, virtually the same proportion as 1980. One in 10 Bostonians in Osterman's survey is Hispanic, up from one in 13 in 1980. Other minorities, primarily Asians, made up 11 percent of the population, up from 4 percent in 1980.

6% of single adults are poor

The face of poverty has changed substantially over the decade, Osterman found, with the sharpest decline among single people. Almost a quarter of single adults were poor or near poor in 1980, compared with 6 percent today.

Four in 10 single-parent households are poor or near poor, down from six in every 10 in 1980. One in every five families is poor or near poor, down from one in four in 1980.

The able-bodied poor, Osterman said, "is a population that wants to work."

Forty-four percent was working at the time of the survey, and another 26 percent had worked some time during the previous two years. Almost 40 percent had not collected welfare at all during the past five years, and another quarter had collected benefits for one or two of the past five years. Less than 30 percent had been on welfare the entire five years.

Hispanics remain the poorest group in Boston. Almost half are poor or near poor. Almost eight in every 10 Hispanic families headed by a single parent is poor or near-poor, more than double the 35 percent rate for single parent black families more than triple the 26 percent rate for whites.

Education level of the poor is low, with almost half having no high school degree. Among Hispanics it is particularly low. Almost two-thirds of adults in poor and near poor Hispanic families have not finished high school, compared to 42 percent of blacks and 31 percent of whites.

"This doesn't present any information that we haven't been saying for years, that there is a persistently growing level of poverty in the Hispanic community even in light of the prosperity that Massachusetts and Boston have experienced," said Jaime Talero of Oficina Hispana, an agency that provides job training and adult education to Hispanics in Boston. "Now it's time to do something about it. I don't know how many more times we need to study it."

Study to be catalyst

John Ramsey, program director for the Boston Foundation, said the study will be used as a catalyst to develop coalitions and strategies to deal with problems of poverty in the city. "What this process is about is to move beyond a poverty body count," he said. "We are poised to use these numbers in an interactive way with the community."

Other findings include:

■ Although poverty among Boston children has decreased, it is still significant. Thirty-six percent of children under 6 are poor or near poor, down from almost half in 1980. Among white children, the rate has dropped from 35 percent to 18 percent. Among black children it is one-third, down from more than half, and among Hispanic children it has remained at 73 percent.

■ Half of the city's poor or near-poor either live in public housing or receive rent subsidies, the survey found. Almost half receive food stamps. A quarter have no health insurance at all; almost 60 percent were covered by Medicaid.

■ The city's public schools are used much more by poor minority children than by poor whites. Only 53 percent of school-aged children in poor or near-poor white families attend Boston public schools, compared with 83 percent of poor black children and 89 percent of poor Hispanics.

GLOBE 12/11

A safety net that worked for a 'child at risk'

After the article entitled, "Infants face long wait for immunization aid" (Nov. 16), I now consider my family and my son, born two months early in 1985, to be extremely lucky.

After a rocky delivery and a one-month stay in a neonatal intensive care unit, he was sent home, thankfully with no major medical problems. Despite being an LPN at Massachusetts General Hospital, I was not prepared for the enormity of the task of meeting the needs of such a fragile newborn, also my first child. I was hungry for information, exhausted and feeling isolated by the demands, both physical and emotional, that every new mother faces, only magnified by the legacy of prematurity.

Within two months of his birth, the Waltham-Weston Early Intervention program set up a weekly schedule of home visits by a pediatric nurse and offered a "preemie playgroup" supervised by physical, speech-language and occupational therapists designed to identify actual and potential problems in infant development. Most importantly, they sponsored a premature parents' support group, meeting weekly to share concerns and discuss coping strategies.

This safety net was invaluable to us as parents and most importantly to my son, now 4½ and looking forward to kindergarten in September.

It is clear that the state must put these "children at risk" at a higher priority. If not, the long-term effects of these funding cuts can only serve to limit their potential in a fast-paced and demanding society.

DONNA M. RASSULO
Belmont

Boston Globe 12/12/89

The Massachusetts tax debate

Senate cuts $320k from Crane's budget

By M.E. Malone
GLOBE STAFF

The Senate lopped $320,000 from state Treasurer Robert Q. Crane's budget last night, hoping to reduce his staff, which a recent report showed is one of the largest in the nation.

The move to cut Crane's office was made by by Sen. Richard Kraus (D-Arlington), a candidate to replace Crane when he retires in 1991. It was one of two budget cuts the Senate added last night during its first six hours of debate on the $348.9 million budget savings package approved by the Ways and Means Committee last week.

The other cut was a $67,000 reduction of the politically sensitive Legislative Research Bureau, which had been cut entirely by the House but restored by the Senate Ways and Means Committee.

An attempt by Republicans to introduce another $250 million in cuts to the package was labeled "a fraud" by Senate Ways and Means chairwoman Patricia McGovern (D-Lawrence), who said the Republican's package was, in fact, worth only about $50 million.

She said that many of the items contained in the package overlap items in the Senate proposal. And, she said a number of other components of the Republican package would not affect savings until 1991.

Senate Minority Leader David Locke (R-Sherborn), urged the Senate to adopt his party's amendments. He said that his staff did the best it could over the weekend and believes that the dollar amounts assigned to each of the items were valid.

As the Senate began its debate on the budget savings package after dark yesterday, members of state worker and teacher unions were lobbying heavily against a provision of the proposal that would require all state workers to pay 9 percent of their health insurance. The state worker contribution to the HMO plans is the most controversial aspect of the $348.9 million package, approved last week by the Senate Ways and Means Committee as an alternative to a $368 million package passed by the House in November.

Senators said last night it was difficult to know if there were enough votes to cut the worker payment provision of the savings plan, but they apparently were concerned enough about the sentiment against the proposal to invite Dolores Mitchell, executive director of the state's Group Insurance Commission, to speak during a dinner break.

State workers enrolled in Health Maintenance Organizations do not pay any portion of their health insurance, and those using the John Hancock indemnity plan pay 10 percent.

"All we are going to do is drive people away from the HMOs and over to the indemnity program, which will cost us more in the long run," said Sen. Francis Doris (D-Revere). Charging employees for health insurance is expected to save the state only $5 million this year, but is expected to reap larger savings in the years ahead, according to McGovern.

Current estimates of the deficit, based on almost flat revenue projections, are between $800 million and $850 million. Even if the Senate Ways and Means plan were to be adopted in full, the state would still be $450 million to $500 million short of a balanced budget, which is constitutionally mandated.

The Senate's Republicans are offering a $250 million package of additional savings in the budget, relying mostly on changes in the state's Medicaid program, employee contributions to health care and early retirement incentives.

But Bulger, in his opening remarks endorsing the Senate Ways and Means proposal, said that new taxes are inevitable this year.

"I repeat. The bill does not eliminate the need to raise revenues," Bulger said. "We need more revenues simply to meet the basic level of services."

HEALTH CLINIC: The Bay Area Visiting Nurse Association will be sponsoring their monthly health maintenance clinic on Thursday, Dec. 21, at 10:30 a.m. The topic of the health maintenance clinic will be "Living With Chronic Pain", and will he presented by Susan Sepich, health instructor at Bay Area Visiting Nurse Association. Following the presentation there will he a short time for questions and answers.

The clinic is held in the recreation hall at Agawam Village in Ipswich, and all residents of Ipswich over the age of 60 are encouraged to attend.

Registered nurses will also see participants individually to take blood pressures and review medications after the presentation.

The clinic is offered by the Bay Area Visiting Nurse Association and funded in part by the Senior Home Care Services, Inc.

For information, call Bay Area VNA at 922-1722 or 356-5055. BW Times 12/12/89

Gloucester Times

12/11

Cancer support

The Cancer Support Group at Beverly Hospital will address fighting the holiday blues at its regular meeting, from 7 to 8:30 p.m. Tuesday, Dec. 12, on the sixth floor of the Johnson Building.

The Cancer Support group meets on the second and fourth Tuesday of each month, however, due to the holidays this will be the only meeting in December. The meetings are open to cancer patients, their families and friends.

Salem News 12/12

Support group to meet Tuesday

BEVERLY — The Beverly Hospital Cancer Support Group will meet at 7 p.m. Tuesday on the sixth floor of the hospital's Johnson Building. Leaders of the group note that the holiday season can be an especially difficult time for cancer patients and their families, and the meeting will deal with fighting the holiday blues.

Newsy Notes . . .

The Beverly Hospital TIPS 1990 calendar is available through the TIPS office, at 922-3000, Ext. 2315.

It offers information on Med-Info lectures, clinics and other activities. Bev Times 12/11

GETTING THE DIRT: Robin Road resident Stephen Crane did some quick calculations before speaking to the Conservation Commission last Thursday on the proposed Laurel Ridge senior citizen housing project.

"I couldn't imagine how much 54,000 cubic yards of fill was," Crane said of the amount of dirt that must be moved before Beverly Hospital can start building the 190-unit development off Hale Street.

"That amount of fill can be spread over slightly more than 30 football fields a foot deep," Crane said of the project, which will call for some dynamite blasting. "You're blowing 18 feet off the top of a mountain."

Sandra Reinecke, Ward 4 alderman-elect, said the developer would have to make 23 round-trip truckloads each day, five days a week, for six months, to move the fill from the property.

* * * Bev Times 12/12

Boston
Globe
12/12/89

Blue Cross seeks big hike for Medex plan

Yearly cost would be increased $500

By Charles Stein
GLOBE STAFF

In a move sure to provoke cries of outrage from the state's senior citizens, Blue Cross-Blue Shield yesterday asked for a dramatic rate hike for Medex, a popular form of health insurance for the elderly.

Blue Cross, which previously asked for a 32 percent Medex cost increase, boosted that request to 78 percent. On the most popular form of Medex, the total increase, if approved, would cost a typical subscriber almost $500 a year. About 300,000 senior citizens in Massachusetts purchase Medex.

The company blamed the action on Congress' decision in November to repeal the Medicare Catastrophic Coverage Act. "Now that the federal government has reneged on its commitment, the costs have been shifted to private insurance companies," said Karen Quigley, a Blue Cross vice president.

The state's insurance commissioner will have to rule on the request, with a decision likely early next year.

Manny Weiner, president of the Massachusetts Senior Action Council, said his group and others would fight the proposed hike. "It would have a disastrous effect, not only on seniors but on the state economy," said Weiner, who believes that many seniors will be forced to drop their insurance altogether if the increases go through.

MEDEX, Page 63

increase for Medex

■ MEDEX

Continued from Page 61

Medex is a supplement to Medicare, a national health insurance program for seniors. Medex pays for things that Medicare does not, such as hospital deductibles, some doctors' fees and drug costs. All those costs are soaring, which prompted the original Blue Cross rate request. The insurance company lost $54 million on Medex last year.

Then Congress got into the picture. Under the Catastrophic Coverage Act, passed in 1988, the federal government agreed to expand Medicare benefits and reduce some of the cost pressure on programs such as Medex. But when angry seniors protested the act's funding mechanism – a tax on the wealthier elderly – Congress backed down and took back what it had given.

According to Blue Cross, roughly $100 million in hospital, doctor, nursing home and drug costs have shifted back to Medex. Repeal has also added about $90 million to the state's bill for Medicaid, a health insurance plan for the poor.

With yesterday's filing, Blue Cross is asking that the price of Medex 3, the most comprehensive and most popular Medex option, climb from $52.32 a month to $93.15. The price of Medex 2, with a more modest benefit package, would go from $31.73 a month to $57.63.

To help ease some of the pain, Blue Cross has proposed a new form of Medex, Medex 4, which would have a fairly rich benefit package, but would require seniors to pay higher upfront costs, especially for drugs.

Blue Cross also renewed its call for some public solution to the Medex problem. "As a single company Blue Cross can no longer afford to be the sole source of subsidy for the state's insured senior citizens," the company said in a prepared statement.

Danvers State Hospital to lay off 12

Bev Times 12/17/89

By PAM DERRINGER
Times staff

DANVERS – Danvers State Hospital employees face the Christmas season knowing that about 12 of their number will lose their jobs next month.

Chief Operating Officer Marvin McNally said the layoffs, announced last Friday, will worsen the quality of patient care even though the personnel reductions will not affect the nurses or mental health workers who have daily contact with the patients.

Psychologists and social workers will be among the ones to lose their jobs, McNally said, and these are the people who give patients hope that they will get better and get out of the hospital.

"This hurts a lot," he said. "I expect things will get worse. It's not a happy time around here."

The layoffs will be effective Jan. 7, but senior unionized employees have bumping rights over newer employees so the exact number and date of the layoffs is unknown, he said.

Because of the bumping rights, the layoff notices leave three or four times as many employees uncertain about their jobs as the number who will actually lose their jobs, he said.

The equipment and staff cutbacks will reduce Danvers State's annual budget from $19 million to $18.3 million. The annual savings from layoffs will be $400,000 and the rest will come from equipment, maintenance and other costs, he said.

The state had already cut equipment by 90 percent, leaving $22,000 for the entire year, McNally said.

"The cuts may not sound like a lot but most of it is for personnel and other things that the hospital can't do without," he said.

The hospital will continue to do its best, but patient care won't be what it should be, he said. The state apparently does not have the political will to resolve the hospital's problems and maintain quality care and treatment for its patients, he said.

Danvers State's patient census is down to 241, which is excellent compared to the past few years, and the drop is due in large part to the efforts of the psychologists and social workers whose ranks will be thinned by the layoffs, he said. A year ago, the patient census typically hovered at 285.

Last week, at least 200 visitors attended the hospital's annual Christmas open house, which included a tree-lighting ceremony, refreshments and entertainment by bagpipers and a live band, McNally said.

Expert panel could return credibility to budget flap

BW Times 12/12

By DANIEL BEEGAN
Associated Press

BOSTON – Former U.S. Sen. Paul E. Tsongas, Boston Mayor Raymond Flynn and several of his counterparts have come up with proposals that might help restore some credibility to Massachusetts government's battles to end its fiscal crisis.

ANALYSIS

Tsongas and Flynn are advocating an "economic summit" of business, political, academic and other leaders to thrash out a solution to the deficit the Dukakis administration estimates at more than $800 million.

Several mayors, including Mary Hurley of Springfield, have advocated bringing in an outside accounting firm to review the state's books and examine tax collection projections.

The idea, while new to Massachusetts, already is being used in another New England state hit with financial difficulties, albeit at a smaller scale than the Bay State.

In Maine, where Republican John McKernan is governor but Democrats control the Legislature, the accounting firm of Peat Marwick is to examine that state's books and to try to provide an accurate fix on tax collections.

The idea was proposed by Democratic legislative leaders, but was endorsed by McKernan, who hired the firm recommended by the Democrats.

The Tsongas-Flynn plan is not only designed to restore credibility, but also is aimed at building political and public consensus behind a plan to solve the state's governmental financial woes.

The plans look as if they might fly:

"Everybody is endorsing the concept of having some kind of economic summit," Flynn said after he and other mayors met with Dukakis late last week.

Panel, page A10

el could help debate

page 1

songas initially proposed the idea to er in the week in a private meeting also y business and labor leaders.

S. Lubber, Dukakis' chief spokeswoman, has he governor has no problems with either the mmit or the idea of having independent accountants go over the state's books.

The ideas are not mutually exclusive.

The accounting firm would deal primarily with the accuracy of the state's reports of spending and possibly would also examine the validity of tax collection projections.

The summit would go further, developing possible solutions, something a firm of certified public accountants probably would avoid because it would be a policy, rather than a bookkeeping question.

Hurley, who advocated having independent accountants go over the books, said she was speaking from personal experience in dealing with budget problems in Springfield.

"What I did in my community was to open up the doors and open up the books," she said.

Hurley said the public responded once they were sure of where the money was going.

"People are upset when money is taken from them and they don't know where it goes," she said.

The possibility of a quick fix to the fiscal crisis became less likely Dec. 1 when House Speaker George Keverian, D-Everett, was forced to shelve a $1.2 billion tax bill after representatives rejected one of its major parts, a capital gains tax increase.

Lawmakers said they were flooded with calls, some of them hostile, from citizens adamantly opposed to any tax increase.

Part of the reason, legislators say, is a perception by the public that state government is still marbled with fat – political hacks, programs that are too expensive or don't work and duplicated services.

There also are doubts about the size of the deficit itself.

Republican leaders, such as House Minority Leader Steven Pierce of Westfield and GOP State Chairman Raymond Shamie, have accused Dukakis of deliberately low-balling tax collection estimates to build the case for a tax increase.

Pierce was one of the people who correctly accused the Dukakis administration during the 1988 presidential campaign of having estimates that were too rosy.

Pierce himself has proposed an overhaul of the Revenue Advisory Board, the panel of lawyers, bankers and economists appointed by Dukakis, that advises the state on how many tax dollars it will collect. Pierce wants to add Republican appointees to the panel, a proposal that so far has been rejected by the Legislature.

But Flynn said the economic summit he proposed should include Republicans and tax foes in general to add credibility to its recommendations.

One or both of the proposals for outside review may be a step toward solving the state's budgetary dilemma.

Until voters believe that waste has been eliminated, and that the the call for new taxes is based on a legitimate need, a legislative solution to the crisis will be difficult to achieve.

Full-da
• Ameri
• Language Arts
• Full Program
Our classes are taught

OUR VIEW

12/11/89 Salem news

Senate budget plan reflects voters' view

Tough times require tough measures, as well as tough people to implement those measures. And there are few people in state government tougher than state Sen. Patricia McGovern.

McGovern, the Lawrence Democrat who chairs the Senate Ways and Means Committee, unveiled a deficit reduction plan of her own last week. And unlike those put forward by Gov. Michael S. Dukakis or the House leadership, this one imposes some tough, but much-needed, limits on the kinds of things state government is expected to do.

That, after all, is the bottom line in the budget debate — the state can no longer do everything people have come to expect of it.

No longer can it be the employer of last resort.

No longer can it be expected to pick up the entire tab for nursing home care.

No longer can it be expected to create a separate agency everytime there's a new problem that must be dealt with.

The Commonwealth of Massachusetts can no longer afford to pay the total cost of health insurance for all its employees. Few companies do any longer, and the cost of the state's largesse has increased from $164 million in 1984 to an estimated $433 million this year.

That's a 164 per cent increase in just six years.

McGovern calls items like health insurance, "budget busters." Others include the Medicaid program, the cost of running the MBTA, and the cost of servicing the huge debt the state has accumulated in recent years.

The Senate Ways and Means plan doesn't come anywhere near closing the state's budget gap which is estimated at close to $850 million. New revenue will be needed at some point.

But the taxpayers of Massachusetts are not going to buy a new tax program until they are convinced state government has, in fact, been cut to the bone. Many of the reforms proposed by McGovern last week will be painful.

No state employee wants to pay for health insurance when he or she is getting it for nothing now.

No family wants to pay for even 2 percent of a relative's nursing home care if it is not paying anything now.

The cities and towns are not going to be happy about paying a greater share of the MBTA's costs.

But the McGovern plan represents a step in the right direction for a Legislature which has seemingly lost touch with the people it is supposed to represent.

Nelson K. Benton III, Managing Editor

A misguided Medicaid shift

12/12/89 Boston Globe

To shift some Medicaid costs off the state's back and onto individuals, one proposal would have families of nursing home patients pay 2 percent of the bill – $600 a year. The problem is that to a large extent such families do not exist.

Half of the state's 40,000 nursing home patients – whose care is funded by Medicaid – have no immediate family. Most often, nursing home patients are women in their 80s, who are essentially alone – 85 percent are single or widowed. Only one in four nursing home patients is male. Nearly half of nursing home patients have no living children; if they do, often the children are elderly too, retired and living on a fixed income.

Furthermore, not all nursing home patients are wholly dependent on Medicaid. About one in four of the 54,000 nursing home patients or their families pay their own bills. And those receiving Medicaid contribute all their income – Social Security, pensions or annuities – toward the Medicaid bill – typically about $6,000 a year.

But the cost of a year in a nursing home – now averaging $30,000 to $35,000 – depletes any patient's savings. Most spend down to Medicaid within 18 months.

Implied in the proposal is the assumption that there are large numbers of families who could help with the cost of long-term care for parents but won't. Again, the facts do not support that assumption; 85 percent of all frail elderly are cared for by their children or relatives – at home.

Nor can the state suggest that people in nursing homes do not belong there. Nursing home beds are in such short supply that 1,000 elderly patients linger for months in hospitals waiting for admission to a nursing home.

Medicaid costs for nursing home care is a national problem, not one that lends itself to simplistic local remedies. Massachusetts legislators need to look beyond aged nursing home patients and their families for money to cope with this social burden.

12/12 Bev Times

This ad is being sponsored by the following civic and community-minded individuals and firms of the North Shore area. Anyone interested in using this space as a non-profit organization, please call:

DAVID LODGE

922-1234

BEVERLY COOPERATIVE BANK
254 Cabot, Beverly

LEE, FRASER, & PATCH
INSURANCE
234 Cabot, Beverly

BEVERLY NATIONAL BANK
240 Cabot, Beverly

FRANCIS L. CONWAY & SONS FUNERAL HOME
12 Chestnut, Peabody

DAWSON'S HARDWARE
35 Enon St., Beverly

Sterling
INSURANCE AGENCY, INC
9 Broadway, Beverly

For over 80 years, the **Visiting Nurse Association of North Shore, Inc.** (formerly the Beverly VNA), has been helping patients and families to recuperate safely and comfortably at home. Every day our caregivers reach out to help those in need and make a difference for people who want to be at home.

- Nursing Care
- Rehabilitation Therapy
- Physical Therapy
- Occupational Therapy
- Speech Therapy
- Hospice Care
- Daibetes Care
- Home Health Aides / Homemakers
- Pediatric Care
- Nutrition Counseling
- Senior Health Clinic and Community Screenings
- IV Therapy
- Private Duty Nursing Services

VNA NORTH SHORE

VISITING NURSE ASSOCIATION OF NORTH SHORE, INC.
5 Hutchison Drive Danvers, MA 01923
777-6100
1-800-662-8999

"Serving the Beverly Area"

Call today for your free brochure on our special home health care services!

Selectmen take tax issue directly to town's voters

Salem News 12/10

A News staff report

IPSWICH — Selectmen Chairman James R. Engel said Monday night that 1990 will be the year voters decide how much they want to tax themselves.

Proposition 2½ overrides are going to be part of the regular budget process from now on, he said.

"I'm prepared to let the electorate participate much more fully than in the past," he said.

The job of the Board of Selectmen will be to present a budget and a series of override questions "that provides for service at about the same level that now exists. If the electorate wants to cut police, fire or the DPW, they can let us know."

But it will take cooperation among the members of the board, he said, adding that each should selectively identify items in the town meeting warrant that can be moved out to the ballot.

"We have to be very clear what we put in the overrides," he said, by detailing exactly what services will be given up if they fail.

It was the first discussion of the board on handling next year's town budget, after being presented with the official budget request by Town Manager George E. Howe, over the weekend.

The budget request for the 1990-91 fiscal year totals $18.1 million, up approximately three percent from the current year's $17.5 million. But even if the town taxes to the limits allowed by Proposition 2½, it will still be $1 million short, mostly because of declining state aid.

Selectman Robert H. Leet asked Howe "are all the programs essential, or are they wish lists?" Howe replied, "Those are policy choices for this board."

Engel said: "You and I may disagree as to what's essential. If we don't agree, we can put it on the ballot."

"If we can't agree, let the voters decide," said Selectman William E. George.

Engel noted that finance committee members, at a meeting last week, had toyed with the idea of putting something on the ballot as an override for the Feb. 5 special election, to elect a fifth selectman; but the other selectmen rejected the idea Monday night.

Technically, noted Engel, the Finance Committee has no role on overrides. But Howe said he thought the FinCom, this year, would expect the selectmen "to make the tough choices, the unpleasant ones and not let the selectmen put them in the position of being the bad guy."

In previous years, the selectmen would make decisions on a budget, which the Finance Committee would then review. This year, selectmen will decide what goes on the ballot as override questions. Only after that vote is taken will town officials know what the final budget can be.

"In my opinion," said George, "these are fundamental changes in government policy."

Engel said the board would begin to discuss specific items for override questions next week.

City snared in 3-way squeeze play

12/12/89 Salem News

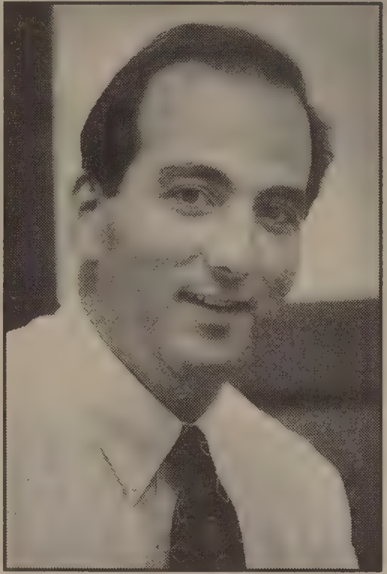
State holding Beverly's federal grant funds hostage to budget crisis

BEVERLY — Several city projects dealing with housing and social services are on hold, pending action by officials in the state Economic Office of Community Development on an application for a $650,000 Small Cities Grant submitted last summer by the Planning Department.

Planning Director Mitchell A. Korbey said Monday that he received a call last month from the director of the Small Cities Grant program, advising him that Bevery's application, along with requests from other communities, would not be forthcoming because of the financial crisis on Beacon Hill.

Korbey said the grant money comes from the federal government, but that state officials decide which communities will get it. From what he can determine, people at EOCD are not going to do anything about the grants until legislators deal with the state's financial problems.

Normally, the Planning director said, Beverly officials would have been notified well before now on the status of the application, and the money might have arrived already.



MITCHELL A. KORBEY
'It freezes us in place'

He said the decision by state officials to sit on the grant money not only affects plans to deal with some pressing problems in the city, but means that Beverly officials cannot make more than short-term commitments to the people who administer the grants and supervise the projects they are designed to implement.

Korbey said Jeffrey King wrote the application for Beverly's grant, and he considers it one of the best he has seen. He said the grant money will be used to rehabilitate housing for low and middle income families, provide money for day care for some families, remove lead paint from older homes, and help with other community related programs.

The planning director said the attitude of state officials is frustrating.

"It freezes us in place," Korbey said. "We can't go ahead with our projects and we can't even make financial commitments to the people who prepared the grant applications and who will be the ones to carry out the projects."

He said that although city officials are concerned about the financial impact the delay at the state level will have on the people who adminster the grant money, that state and federal reguations allow for only a small portion of the grants to be used for administration. Korbey said most of the money would go to making improvements in Beverly housing and providing families with needed assistance.

There have been reports that people at the state level have been contacting Beverly officials asking that they support proposals for new tax revenue that were before the legislature last month in order to free up the grant money, but Korbey said he was not contacted.

He said he feels that state officials will eventually have to release the federal money, and that he believes politics is a factor in the action being taken at the state level.

"In the meantime," Korbey concluded, "we can do nothing about the problems we want to deal with by using the grant money."

Officials weigh broader sales tax

Boston Globe 12/12

Exemptions scrutinized

By Joan Vennochi
GLOBE STAFF

A group of business leaders recently presented key House Democratic leaders with a list of goods and services currently exempt under the Massachusetts sales tax law, suggesting that it made economic sense to start to tax them now.

But, according to Richard Manley, executive director of the Massachusetts Taxpayers Foundation, which drew up the list, House Speaker George Keverian (D-Everett) quickly dismissed one proposal on the list, a tax on amusement and recreation. Too many constituents buy tickets to sporting events, the speaker said.

Despite Keverian's reaction toward offending a potential voting bloc, there is serious talk on Beacon Hill about extending the reach of the state sales tax in these dark days of $800 million budget deficits. As with every tax proposal, raw politics rather than pure economic theory will determine its fate, and the political lobbying is under way in earnest.

■ **Other stories on the fiscal debate, Pages 28-31.**

No one is talking about taxing food, basic clothing or medicine. But behind the scenes, politicians who are struggling to balance the budget are casting an eye toward some exempted items – such as cement mixers. There is also serious talk of taxing business services that are among the 56 separate categories of sales and services exempt from Massachusetts taxes.

Politicians are working on the equation now. Beacon Hill sources say that state Rep. Richard Voke (D-Chelsea), chairman of the House Ways and Means Committee, is working up one list of possible goods and services that would no longer be exempt from the state sales tax. Voke could not be reached for comment.

Mindy Lubber, a spokesman for Gov. Dukakis, said that the governor generally supports the idea of broadening the sales tax, but has not reviewed specific options.

Meanwhile, without even a bill in circulation, lawyers, accountants and consultants are already lobbying against the merest possibility that

TAXES, Page 10

GLOBE STAFF PHOTO / TOM HERDE

The Senate entrance in the State House is attended to by a doorkeeper. To some, the position epitomizes government waste. Page 30.

Symbols of waste eat at credibility

By Bruce Mohl
and Frank Phillips
GLOBE STAFF

State officials, in the midst of the worst budget crisis in more than a decade, say their credibility has suffered because they have not made the sort of symbolic cuts in state government the public is demanding.

The House, for example, refused to trim the budget for the Legislature's 54 court officers or doorkeepers. The Senate leadership is balking at cutting off funds for a research bureau manned by several former lawmakers. And Gov. Dukakis has moved on symbolic cuts in cars, car phones and private license plates only after embarrassing stories have appeared in the media.

Each of these budget items, if eliminated entirely, would yield little in tangible savings and far less than is needed to close the estimated $825 million deficit. But, rightly or wrongly, failure to act, or

CUTS, Page 31

J. Moccia, lobby the Massachusetts Society of fied Public Accountants, has a simple reply for those who argue that businesses such as those he represents should pay taxes: Accounting firms will simply pass the tax on in the form of higher fees.

"Only people pay taxes," warned Moccia, who has been telling legislators precisely that as part of an intensive lobbying effort for his organization.

Benjamin Fierro, general counsel for the Massachusetts Bar Association, which is also engaged in some determined lobbying efforts on Beacon Hill, called a tax on legal fees "an additional barrier to legal services for the poor."

A sales tax generally is considered regressive, since it takes the biggest relative chunk of income from the poorest residents. Gov. John A. Volpe, who campaigned in the mid-1960s on the pledge that he would institute a statewide sales tax to raise revenue for cities and towns, kept it narrow to limit its impact on the poor.

It took him seven draft proposals, but in 1966, Volpe got his sales tax. It did not apply to food, most clothing, medicine, utilities and a host of other items and services that were specifically exempted by the Legislature. Since being increased from its original 3 cents on the dollar to 5 cents in 1976, it has remained virtually unchanged.

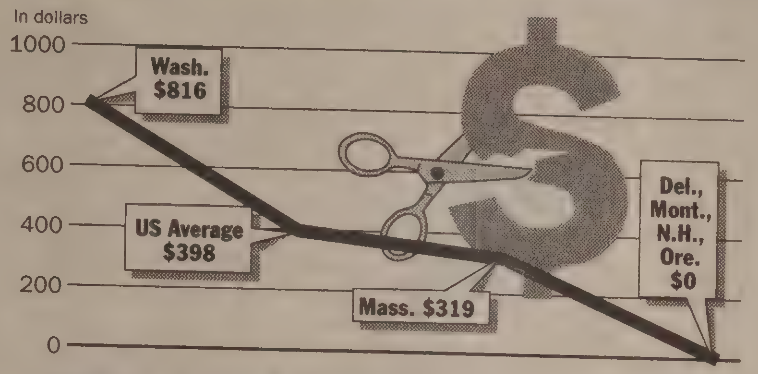
But some economists and politicians believe it is fairer to broaden the sales tax rather than simply increase the current tax by 2 percent. In theory, broadening the sales tax can be more progressive, if the broadening applies to categories such as law, accounting and landscaping services, which upper- and middle-income taxpayers are presumed to use more than lower-income residents.

A proposal to extend the sales tax to some professional services was part of a recommendation recently put forward by the Tax Equity Alliance of Massachusetts. James Braude, the group's executive director, says that medical, legal and advertising fees are excluded, however, for various political and philosophical reasons.

"We are not suicidal," said Braude, acknowledging the political forces that would move hard to block any tax on such services as law or advertising.

Even so, leaders of those professions believe they have not yet been categorically ruled out by other groups favoring broadening the sales tax.

The Bay State's low per capita sales tax...



...makes a good target for revenue raisers.

How much money would be raised by forcing the following businesses to collect sales tax (in millions of dollars)*

CONSUMER GOODS AND SERVICES	5% rate	6.5% rate
Exemption for alcoholic beverages	$34.1	$44.3
Auto rentals and leasing	23.3	30.3
Amusement and recreation	52.1	67.7
Consumer subtotal	**$109.5**	**$142.3**
BUSINESS SERVICES		
Services to buildings	$15.4	$20.0
Equipment rentals and leasing	20.1	26.1
Direct Mail	6.3	8.2
Stenographic services, reproduction and photocopying	4.2	5.4
Detective and guard agencies	13.3	17.3
Interior design	1.6	2.1
Answering services	1.3	1.7
Personnel supply services	28.5	37.0
Business subtotal	**$90.6**	**$117.8**
TOTAL	**$200.1**	**$260.1**

*Fiscal 1990 estimates
SOURCE: Mass. Taxpayers Foundation

GLOBE STAFF GRAPHIC / NEIL C. PINCHIN

"Our feeling is that everything is on the table," said Fierro, of the Massachusetts Bar Association.

Much of the impetus behind the move to broaden the sales tax comes from business leaders, who offered it as an alternative to any increase in the capital gains tax.

That was Manley's goal when he presented Democratic leaders with his list of suggested goods and services that could be taxed, including entertainment, alcoholic beverages, auto rentals and leasing, equipment rentals, stenographic services, detective and guard agencies and interior design.

Manley's group is not above reacting to personal considerations, either. The initial recommendation to Keverian included a proposal to apply the sales tax to tax-exempt organizations, which would cover nonprofit insitutions such as colleges – and the taxpayer's foundation. Manley now describes that part of the proposal as "a joke."

The sales tax currently taxes "tangible personal property." Unless an item is specifically exempted from taxation, it is taxed. Many items are exempted, however, and the exemptions are inconsistently applied.

Items such as automobiles, appliances, furniture, luggage, jewelry, paper products and picture frames are taxed. Books are taxed, but textbooks and books used for religious worship are not. If a Massachusetts resident buys a personal computer for home use it is taxed. However, if a newspaper buys it, it is not, because of an exemption that applies to items used to produce newspapers. In the same way, a video camera bought by a television station is not taxable, while one bought for home use is.

Coffins, caskets and funeral items are exempted. So are gifts of scientific equipment, cement mixers, fertilizers and insecticides, machinery used for farming and fishing, newspapers, magazines and the American flag. All professional services are currently exempt.

The pages of exemptions that put many items out of the reach of the Massachusetts sales tax make it the most narrowly applied sales tax in the country, tied only with New Jersey for the fewest types of purchases that are subject to the tax.

New Hampshire, of course, levies no sales tax, a fact that retailers, particularly along the Massachusetts-New Hampshire border, cite as an argument against any increases.

Connecticut recently increased the overall rate of its sales tax from 7.5 percent to 8 percent. In doing so, Connecticut also expanded the tax to cover fees earned in such diverse areas as advertising, architectural design and planning, lobbying, consulting, public relations, window cleaning for building maintenance, landscaping, exterminating and locksmiths.

Movies, plays and sporting events are also subject to Connecticut sales tax.

Some economists look at broadening the sales tax as a way to increase the efficiency of revenue-raising.

Peter Kozel, senior economist at Shawmut Bank, favors broadening the sales tax, rather than simply increasing the tax in its current form. If you raise the sales tax a penny or two, and keep the same base, it increases the possibility that people will either put off buying certain big-ticket items, such as cars or appliances, or go elsewhere – like New Hampshire – to make their purchase, said Kozel.

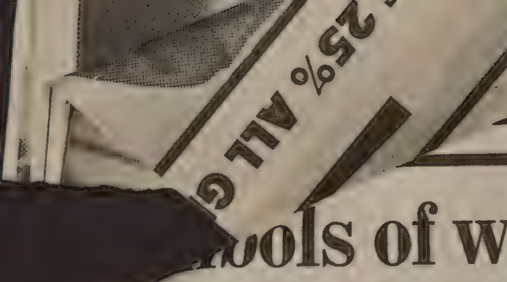
That adds uncertainty to the Massachusetts revenue flow, and economists do not like uncertainty. On the other hand, if the sales tax is broadened to cover many different areas, the consumer cannot put off purchases on all taxable items.

"It gives you a much more reliable flow of revenue and there's a lot to be said for that," said Kozel.

The argument against a broader-based sales tax focuses on the regressivity issue: the concern that the poorest residents will be paying out the largest percentage of their incomes on items that are taxed, depending on what items are taxed.

"From the economist's point of view, there's a tradeoff between fairness and efficiency," said Robert Tannenwald, an economist at the Federal Reserve Bank.

The Special Commission on Tax Reform, a nonpartisan legislative commission created in 1984, issued a report this year that concluded that extending the sales tax base to services is preferable to increasing the sales tax rate.



achusetts tax debate

ools of waste eat at credibility

CUTS
Continued from Page 1

failure to act quickly enough on each of these accounts has left a skeptical public wondering whether state officials are really serious about cutting the fat out of government.

"The public, in my opinion, thinks that it's business as usual," said Richard Manley, president of the Massachusetts Taxpayers Foundation. "They keep hearing about the extension of the fiscal crisis and think nothing's being done about it."

The confusion is understandable. Take the Senate Legislative Research Bureau, a 13-member group stigmatized by being headed by a former Senate majority leader earning $58,400 a year and staffed by three former representatives earning between $33,000 and $43,692. It has a $25,000-a-year "publicity assistant" even though its reports are rarely released to the public.

The agency was created in 1954, at the recommendation of the League of Women Voters, to provide the Legislature with a resource to research and compile information on government issues. Today, it operates out of private office space near Downtown Crossing with a budget that has risen 43 percent over the last five years.

The House three weeks ago eliminated the bureau's $669,000 budget as part of its package of spending cuts to help balance the fiscal 1990 budget.

But the Senate, in the package of cuts it began debating last night, restored all the funds for its bureau and counterattacked by eliminating all the money for the Legislative Service Bureau, a research arm of the House headed by a former state representative.

The wrong message

Sen. Paul Cellucci (R-Hudson) said the internal byplay between the two branches sends the wrong message to the public. "It may not represent much in terms of dollars, but it's big in terms of symbolism," Cellucci said. "The message is that they're not serious about reducing the size of the bureaucracy."

The complaint does not come from just Republicans. Rep. Gregory Sullivan (D-Norwood) filed an amendment during the House debate on spending cuts to slash one-third of the Legislature's 54 court officers, the people who man the doors to the chambers and track down lawmakers for roll-call votes. Many court officers earn more than the lawmakers for whom they work.

"We don't have to have somebody standing there outside the chamber," Sullivan said. "It's almost an obscene excess and it is symbolic."

Sen. Patricia McGovern (D-Lawrence), the Senate's top budget official, has done more perhaps than any other official on Beacon Hill to focus the public's attention on the major state accounts where spending is out of control. But even she admits that some of the more symbolic cuts have not been made.

"I don't think we've done enough symbolically. It's sad that we have to do that, but, ultimately, to deal with the crisis we have to convince the public that cuts are being made," she said.

The so-called symbolic cuts cover a wide range of areas, from the Dukakis presidential campaign aides to the number of public relations people and legislative liaisons working in the administration.

Responded to cut cries

Dukakis responded to the cries for cuts in the public relations payroll only when it became obvious the House was prepared to cut them unilaterally. He vowed to cut 20 percent, or 17, of the 63 public relations aides working in the executive branch. But none of them have been cut so far.

Cuts in the number of legislative liaisons have been even slower in coming. In one recent case, Philip M. Johnston, state secretary of human services, intervened to stop the state's Commission of the Deaf and Hard of Hearing from laying off its legislative liaison, former Rep. Nicholas Buglione (D-Methuen).

Johnston denied reports that he acted because of pressure from Buglione's colleagues in the House. He said he wanted the commission, which comes under his supervision, to wait until the final budget reductions are known before giving layoff notices.

Mindy Lubber, the governor's press secretary, cautions that all the pressure for symbolic cuts may be misguided. "Symbolic cuts are important to make the case that we are cutting, but I think we have to make real sure that symbolism doesn't get in the way of savings," she said.

She said everybody is clamoring for layoffs, but said that layoffs cost the state more in unemployment benefits than if an employee leaves the payroll voluntarily. She also said it sends the right signal to take state cars away from people, but it may end up costing more when the state is forced to pay individuals mileage costs for using their private cars.

Rep. Robert Havern (D-Arlington) said the Legislature has started to tackle some symbolic cuts but still has a long way to go. "These things have to be cut just to clear the air. We can't get to the budget busters because these symbolic things are in the way. We've got to get rid of them."

Selectmen will send letter asking Dukakis to resign

Bev. Times 12/13/89

By KEVIN WESLEY
Times staff

WENHAM – The Board of Selectmen will send a letter to Gov. Michael Dukakis asking that he resign in the wake of the state's financial crisis.

"He should just step aside and let someone else take over," Chairman Peter M. Johnson said at last night's meeting.

The board will write the letter in response to a request by the town of New Braintree, which is asking towns and cities across the state to join in its campaign to ask Dukakis to resign. New Braintree is currently battling the Dukakis administration's efforts to locate a medium-security prison in that town.

"He should be home with (wife) Kitty," Johnson said.

"I think it would do a lot of good for him to step down because then there would be a fresh person at the top," Selectman Thomas Burger said.

> *He should just step aside and let someone else take over.*
>
> **– Chairman Peter M. Johnson**

The board was critical of Dukakis' suggestion that local aid checks for cities and towns be withheld as a way of coping with the state's fiscal woes.

"When you sign a letter asking to hold money from cities and towns, you should resign," Johnson said.

"It's clear Dukakis has been ineffective in solving this crisis," Burger said. "If (the state) had been any regular business he would have been gone months ago."

In August, Johnson and Burger voted in favor of request by the town of Winchendon to impeach the governor. Selectman William L. Shailor abstained from voting on the issue.

Burger said in August that Dukakis should be impeached because he "broke promises" to cities and towns regarding local aid funding. "He has not been doing his job of making the hard cuts. He's decided to pass that on back to the cities and towns," he said in August.

Last night Burger said resigning would save Dukakis the embarrassment of impeachment proceedings.

In other business, the board:

- Appointed Chad Foberg coordinator of the town ice rink.
- Heard a presentation from Betty Stahl from the Massachusetts Independent Insurance Association regarding a new insurance pool.
- Appointed Paul S. Hatfield, 80 Cedar St., to the Council on Aging.
- Appointed Wendy Campbell, 66 Cedar St., to the Town Government Study Committee.

Two social work jobs slashed

BEV Times 12/13/89

By KELLEY BOUCHARD
Times staff

The elimination of two positions from local offices of the state Department of Social Services will leave the remaining employees trying to provide the same services, officials said yesterday.

The state Department of Social Services on Monday issued pink slips to 35 employees in local offices across the Commonwealth – a move that eliminated two of three social work technician positions in the Haverhill/Beverly/Salem region.

"What it clearly means is that the remaining social workers will have to pick up the slack," said Susan Drake, director of the Beverly and Salem offices, which are scheduled to merge in the future.

> *What it clearly means is that the remaining social workers will have to pick up the slack.*
>
> **– Susan Drake, director, Beverly and Salem DSS offices**

Monday's layoffs are part of the state's effort to reduce its budget. In all, 263 positions in the DSS have been cut due to layoffs, retirements or career changes in the past year.

The most recent cuts will save the state about $500,000 for the remainder of this year and at least $1 million each year afterward, said DSS spokeswoman Lorraine Carli. The two positions lost on the North Shore account for about $45,000 of that yearly savings, Carli said.

Drake said the layoffs would call for reallocating the workload in each office, but would hopefully not affect services to the public.

"But it is always difficult when an office as a whole is dealing with the same amount of work and a reduction in staff," Drake said.

State workers expected the layoffs as early as last Friday, after rumors of the cuts began filtering down from the central office of the Department of Social Services (DSS) in Boston.

Social work, page A10

Boston Globe 12/13

Doctors say they shut BCH emergency room

By Adrian Walker
CONTRIBUTING REPORTER

A group of interns and residents say they briefly forced the closing of the emergency room at Boston City Hospital yesterday to protest the city's refusal in current contract talks to guarantee them additional support staff.

The interns and residents said they slowed the pace at which they admit and discharge patients to give themselves more time to devote to patient care. The slowdown closed the emergency room for a half-hour, they said.

"There's a great deal of pressure, financial pressure, to move patients in and out of the hospital as quickly as possible," said Dr. Adam Burrows, co-president of the House Officers Association, a union representing the hospital's 260 interns and residents. "We're saying we will no longer respond to that pressure. Something has to be done to make the city aware that a serious problem exists."

Burrows said the work slowdown will be in effect until tomorrow. A mediation session between the union and the city is scheduled for tomorrow night.

Bob Marra, assistant to the commissioner of health and hospitals, said he did not believe the doctors' actions had any impact on hospital operations.

"The emergency room was closed temporarily, but that happens at this time of year," he said, attributing the closing to overcrowded conditions.

At issue, Burrows said, is the refusal of city negotiators to guarantee that doctors will be provided with enough support staff to relieve them of tasks such as drawing blood from patients, caring for intravenous lines and moving patients around the hospital.

"They don't understand that working conditions are most important to us," he said. "These things are important, but we don't feel we should have to do them. We think we should be able to devote our full attention to providing medical care for our patients."

Burrows said the union's last five contracts with the city have stipulated that the city would provide nurses and aides to support its members, who often work up 80 hours per week. But in this year's contract talks, the city has refused even to discuss the issue, he said. The union's contract has expired.

Cynthia Denton, head of the city's negotiating team, did not return telephone calls to her office.

Burrows said the group is not considering any further protests.

"We can't strike. We wouldn't do anything to jeopardize patient care," he said. "But we want the city to know it has to make a commitment to ancillary care."

Senate gives initial approval to $354.4 million budget bill

Bev Times 12/13/89

BOSTON (AP) – The Massachusetts Senate gave initial approval early today to a savings and cuts package valued at $354.5 million.

The proposal, designed to partially close the state's $825 million budget deficit, would allow the state to collect unclaimed bottle deposits and merge the State, Capitol, Registry and Metropolitan police.

The voice vote came during the Senate's second consecutive late night session as debate stretched into its third calendar day.

Despite defeat of a key provision to deal with escalating health care costs and the restoration of $1.5 million to the Department of Public Utilities fringe benefits fund, the Ways and Means Committee package grew from $349 million after adoption of the bottle deposit amendment.

Ways and Means Committee Chairwoman Sen. Patricia McGovern, D-Lawrence, said she was confident the savings plan would stand up to the next round of debate scheduled to resume this morning.

"We haven't added anything back to any significant extent. I think we're in pretty good shape," she said.

Senate President William Bulger, D-Boston, cautioned senators on Monday that the package would not avert the need for new taxes to address the state's fiscal crisis.

A provision to collect unclaimed bottle deposits in the future was included in the original Senate package and valued at $6 million in new revenue.

Sen. Lois Pines, D-Newton, offered an amendment making the provision retroactive to Oct. 1, which doubled its value and made it mirror House-approved bottle deposits legislation.

Pines also attached an amendment earmarking funds from bottle deposits for an environmental fund operated by the Secretary of Environmental Affairs. This fiscal year 20 percent of the collected deposits would go to the fund.

By 1994 the fund would receive 100 percent of the unclaimed deposits for recycling, composting and solid waste management programs.

Once the package is engrossed by the Senate, it must be reconciled with a House savings plan valued between $300 million and $350 million.

After reconvening at 11 a.m. Tuesday, the Senate disposed of Republican proposals to charge state employees for parking and increase the cost of state employee group life insurance by 1 percent beyond the Ways and Means proposal before scuttling the rest of the package.

On Hill, tax panic or paranoia?

BOSTON Globe 12/13

Incumbents rarely ousted over increases, observers say

By Scot Lehigh
CONTRIBUTING REPORTER

Despite the widespread legislative fear of raising taxes, observers agree that Massachusetts incumbents have rarely lost their seats because they voted to increase taxes.

Communications consultant Robert Schaeffer, author of the book "Winning Local and State Elections," says that although antitax hysteria has paralyzed Beacon Hill, the reality is that legislators have little to fear when seeking reelection.

"Based on the historical political record, it is paranoia," Schaeffer said.

David Bartley, speaker of the Massachusetts House from 1969 to 1975, agrees. "We passed tax bills in '69, '71, '73 and '75, and nobody ever got beat because of a tax vote," Bartley said. "When a legislator loses, it is usually because he is not doing his constituent service, because he is not attending to affairs in his district, or because he is involved in some kind of scandal."

Schaeffer says that when Citizens for Limited Taxation set up a political action committee in the early 1980s and tried to unseat incumbents that the group considered big spenders, the CLT-backed candidates "all got stomped."

Chip Faulkner, executive director of the CLT political group, concedes that the CLT record in knocking off unfriendly legislators has not been particularly impressive.

"It is very tough to beat an incumbent in this state," Faulkner said. "They can raise money, they have exposure and they have a legislative aide that is like a campaign aide."

The last fiscal debate as highly charged as this one occurred in 1975, when the Legislature passed the 7.5 percent surtax. Rep. Thomas McGee (D-Lynn), who was speaker at the time, says, "My recollection is that no one lost because of voting for taxes."

> **'We passed tax bills in '69, '71, '73 and '75, and nobody ever got beat because of a tax vote.'**
>
> DAVID BARTLEY
> *Former House speaker*

Faulkner, who researched the electoral effect of the 1975 tax vote, basically confirmed McGee's recollection. "You would think that would be reflected in the '76 ballot, but I didn't see anything," Faulkner said. "There were very few people who actually lost elections."

Faulkner thinks 1990 will be different. "Based on the number of phone calls we're getting, I think this will be a banner year for beating incumbents."

But others are doubtful. Human services lobbyist Judy Meredith agreed that the tax debate has become what she calls "a public issue" – that is, one on which many constituents will follow how their representatives and senators vote. But that alone hardly assures that a protax official will lose, said Meredith, who noted that voting studies have shown that relatively few voters decide whom to vote for based simply on one controversial issue. "I believe it will be the same on this," she said.

The House majority leader, Charles Flaherty (D-Cambridge), said he could not recall any legislator losing because of a protax vote. "It is not so much the vote as your ability to articulate why you voted the way you did," Flaherty said. "Many times when you explain your vote, you are telling them something they didn't know when they initially expressed their reservations."

Rep. Marjorie Clapprood (D-Sharon) says she has found that, once she explains the issue, most people agree with her position that new taxes are needed. Clapprood, a candidate for lieutenant governor, said she has received 70 letters in favor of raising taxes compared with about 30 opposed. After she argued for raising taxes in a recent television appearance, the calls to her office ran about 10 to 1 in favor of her position, Clapprood said. She added that it was only during the one-sided antitax presentation of certain radio talk shows that virulently antitax calls started to come in.

"The people who are willing to take the time and think about it are much more willing to support a package that will stabilize the economy," she said. "I don't think that any incumbent that has done a good job representing his district is going to lose because they supported taxes."

Rep. Robert Jakubowicz (D-Pittsfield) said the word he is getting from his constituents is "just get the situation resolved. If it involves taxes, resolve it. Don't let it linger." Jakubowicz also said that the antitax calls, which he believes are generated mostly by the radio talk shows, have to be put in perspective.

"There are about 20,000 voters on average" in a House district, he said. "How many phone calls have been generated by the talk show people? Maybe 200 or so. Is that really representative of 20,000 voters?"

Rep. Nicholas Paleologos (D-Woburn), another candidate for lieutenant governor who supports raising taxes, has prepared a brochure outlining his case. Paleologos stresses that it is necessary to explain a protax vote, but adds that even when constituents disagree, previous votes for tax cuts should sustain elected officials. "It is political capital that you build up for times like these," he said.

Hospital ordered to rework board

Daily Evening Item 12/12/89

Must add minority, women trustees

By TOM DALTON
Item Staff

LYNN — AtlantiCare Medical Center has one woman on its 18-member board of trustees. Her name is Dianne Mitchell.

AtlantiCare Medical Center has one minority on its 18-member board of trustees. Her name is Dianne Mitchell.

With the exception of Mrs. Mitchell, a black woman, the hospital's top governing board is all-male and all-white, and that's something the state wants to see change.

At a meeting last Thursday, the state Conversion Board ordered AtlantiCare to submit a plan by Dec. 29 which will guarantee that at least four of the next six openings on the board go to women or minorities. It also asked the hospital to make a commitment to maintain a minority representation of at least 10 percent.

The conversion board, which recently approved a bail-out and business plan for the hospital, tied continued financial relief to adoption of a new trustee membership plan.

The state directive would radically change the make-up of the board that oversees the $100 million hospital operation. It also would culminate years of pleas and demands from community groups for a restructured board that better represented the North Shore region served by the hospital.

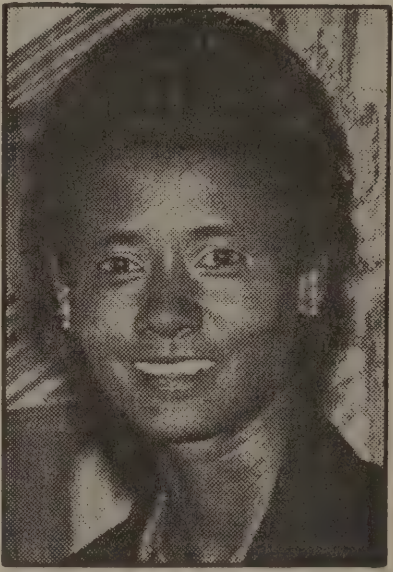
To be fair, AtlantiCare has made an effort in recent months to do just that. Under the direction of Hospital Management Professionals (HMP), the Tennessee-based management group that took over day-to-day operations a year ago, AtlantiCare has added new Lynn trustees and submitted a plan outlining future expansion of the board.

Based on its directive last week, however, the state apparently believes the hospital has not gone far enough.

Last February the board added three new community members, two of whom were women and blacks. In addition to Mitchell, the board offered a seat to Mrs. Virginia Barton, president of the local chapter of the National Association for the Advancement of Colored People (NAACP). However, due to health reasons, Mrs. Barton could not accept the appointment.

In October, the hospital submitted a proposal to the conversion board calling for increasing the number of Lynn residents on the board.

The hospital also proposed an orientation program for new members to make them more familiar with the community being served and hospital services, and the creation of an advisory service committee that would suggest new services the hospital could implement.



DIANNE MITCHELL
AtlantiCare trustee

The AtlantiCare proposal met with an angry reaction from the consumer representative on the conversion board, who contended it was not responsive to the state's directive to create a community board.

"The issue of minority representation was not addressed at all in this memo," wrote Robert Restuccia, executive director of Health Care For All, a statewide consumer group. "... We believe that AtlantiCare should be required to have a board composed of the same percentage of minorities and women as appears in their service area ... It is clear that the current memo submitted by AtlantiCare regarding board membership is totally inadequate."

The conversion board generally agreed with Health Care For All and gave AtlantiCare until the end of the month to submit a trustees membership plan. More importantly, it tied continued state aid to its request.

State officials who have met with the hospital reportedly are confident AtlantiCare will agree to its request. According to a source, the state has been impressed with the responsiveness of HMP to past requests and the commitment of its new president, Andrew J. Riddell, to carry out reforms.

AtlantiCare's current board, headed by developer Gerald Gouchberg, a Lynn native and Swampscott resident, has only five Lynn residents. Six are from Swampscott, also in the main service area, two from Lynnfield, one from Peabody, and four from other North Shore communities.

Boston Globe 12/13/89

State borrowing $1.2b for local aid

By Bruce Mohl
and Renee Loth
GLOBE STAFF

The Dukakis administration, with the help of three Japanese banks, pulled together enough financing yesterday to send $1.2 billion in aid to cities and towns this month but warned that the next local aid payment, in June, will be cut by at least $500 million unless new taxes are adopted by the Legislature.

■ Other stories on the fiscal debate, Pages 48-54.

State officials said the three Japanese banks will act as cosigners on a loan, enabling the state to borrow $1.2 billion at far more favorable interest rates than if the state had to go it alone with its low credit rating.

Although Gov. Dukakis said last week that he might have to cut this month's local aid payment to deal with the burgeoning fiscal crisis, L. Edward Lashman, the governor's secretary of administration and finance, said yesterday that the Japanese letter of credit will enable the state to borrow $1.2 billion in short-term notes and make its local aid payment as scheduled on Dec. 29.

"It's a very creative and innovative way to go," Lashman said of the Japanese credit line.

Although Lashman said tax revenues should be sufficient to pay off the new short-term borrowings, he warned that without new taxes the state will not be able to pay all of a second $1.2 billion local aid payment scheduled for June. "With present revenues, we will not be able to meet the June payment," Lashman said.

Lashman said he is recommending that the governor freeze $500 million earmarked for the June payment to cities and towns, "and do it now to put everyone on notice."

Sheila Cheimets, executive director of the Massachusetts Municipal Association, which represents the state's 351 cities and towns, said "my feeling is one of delight" that the payment will be made. "There is no question that the cities and towns could not have survived even a delay, never mind a cancellation."

The administration's local aid announcement followed a meeting that Dukakis held with local mayors and selectmen, who impressed upon the governor the severity that a cut in state aid would have on local services. "We'd have to padlock town hall," said Arlington town manager Donald Marquis, who accused Dukakis of "using us as pawns" in the fight for new taxes.

The Japanese, who are gobbling up Boston real estate and competing head-to-head against Massachusetts computer firms, are taking on a ma-

LOCAL AID, Page 27

. is rrowing for local aid

LOCAL AID

Continued from Page 1

jor role in keeping the state afloat fiscally.

"They're bailing us out. We need strong support and strong banks, and they stepped up to the plate," said deputy state treasurer Patrick Sullivan.

Mindy Lubber, the governor's press secretary, said she had not thought about the growing Japanese role. "They're giving us a good deal," she said, declining further comment.

The complex financing arrangement used to make the local aid payment relies on a letter of credit provided by Fuji Bank Ltd., Mitsubishi Bank Ltd. and Sanwa Bank Ltd.

The state currently has a $500 million letter of credit with Fuji and yesterday struck a "gentleman's agreement" with the bank to extend that line of credit to $1.2 billion, according to Sullivan.

The letter of credit enables the state to borrow the money on a short-term basis starting at the end of this week by using the banks' top-rated credit ratings and not the state's rating, which is tied with Louisiana's for the lowest in the nation. The higher rating should draw a more favorable interest rate.

The banks are basically agreeing to pay off the state's debt if the state defaults. In return, the banks will be paid about $787,000 over the next six months and $1.57 million over the next year if the letter of credit is extended.

Cheimets said she is concerned about possible cuts in the June local aid payment but, before sounding the alarm, she is waiting to see the outcome of a $350 million budget reduction plan being debated in the state Senate.

"The world has been changing on an hour-by-hour basis," she said. "I think someone would need more than a crystal ball to even think about what could happen between now and June."

Lashman said that even if the Senate adopts its entire package of spending cuts, the administration is still projecting a $500 million deficit by the end of June. The $500 million figure is the same amount of local aid that Lashman urged Dukakis to freeze by using his power to withhold allotments.

Asked why local aid has been targeted to be frozen, Lashman said: "Because that's where the money is. There are relatively few chunks of money around."

Lashman would not disclose details of a meeting he had Monday with representatives of Standard & Poor's, a New York bond rating agency that is evaluating the state's credit rating.

Lashman said the state is going to put off from this week until next year a planned borrowing of $200 million for construction projects, but he predicted that Standard & Poor's would lower the state's general bond rating in response to the Legislature's failure to enact a plan to close the state's widening deficit.

It was unclear whether Standard & Poor's would drop the state's rating to the same level that Moody's Investors Service did last month or to a lower level. Lashman said the state's credit rating "is not going to improve until we get new taxes."

10% hike in employee health costs voted

Boston Globe 12/13

By Bruce Mohl
GLOBE STAFF

The Massachusetts Senate dealt a major blow to public sector unions last night by voting to force state employees to pick up more of the cost of their health insurance benefits.

The Senate approved an amendment to its $350 million package of spending cuts requiring all state employees to pay 10 percent of the cost of their health insurance. Currently, employees enrolled in health maintenance organizations pay nothing.

The Senate's attitude on the controversial proposal shifted throughout the day. Initially, the Senate had planned to make employees pay 9 percent, but backed away from that proposal under heavy lobbying from public sector unions. The Senate then adopted a watered-down version of its original proposal, making only future employees of the state pay 10 percent.

As votes began shifting late last night, Senate President William Bulger gaveled through a series of measures that scrapped the watered-down proposal and substituted the much tougher language.

The tougher language had been rejected earlier in the day when it was sponsored by Republicans. Many Democrats had ridiculed the package of GOP spending cuts, which included the health insurance amendment, as "baloney" and a "fraud."

Edward Sullivan, executive director of the Massachusetts Teachers Association, was angry after the vote. "They're trying to solve the fiscal crisis on the backs of the little guy," he said.

Minor victory

Public sector unions won a minor victory minutes later when the Senate voted to delete a section of the bill giving the state the power to alter benefits in one of the major health plans.

All the changes still require approval of the House and Gov. Dukakis.

Health insurance for state workers is one of five so-called "budget buster" accounts the Senate set out to reform in its package of spending cuts. The others deal with runaway costs in Medicaid, the Massachusetts Bay Transportation Authority, debt service and pensions.

Sen. Patricia McGovern (D-Lawrence), chairwoman of the Senate Ways and Means Committee, said she expected there might be other changes in her proposals as debate continued into the night, but added that she would be satisfied if "some" of the proposals survived.

One of her MBTA proposals, to shift more of the costs of the agency on to the 78 cities and towns in the agency's service district, survived a challenge from Sen. Paul White (D-Boston). White's attempt to amend McGovern's proposal was defeated by a coalition of senators from outside the MBTA district.

$66 million fare increase

One MBTA official lobbying on Beacon Hill cautioned that the Senate bill would require 33 percent of the agency's costs to be paid for by fares, which he said would force an increase in fares of $66 million.

The Senate also endorsed a proposal to eliminate funds for a new prison in New Braintree and rejected an attempt to implement off-track betting. The House earlier approved the same New Braintree language, but Gov. Dukakis is expected to veto it.

Earlier yesterday, Senate Democrats rejected the entire package of GOP spending cuts that the Republicans said would save the state $250 million. The Republicans said their additional spending cuts, combined with the Democrat package of $350 million, would have come close to eliminating the state's budget gap and forestall the need for a tax increase.

Mishmash of errors

Democrats, however, said the Republican package was a mishmash of printing errors and faulty proposals that added up to $50 million at best. Sen. William Golden (D-Weymouth) called the Republican package "baloney."

The package of Republican spending cuts was initially split into separate amendments, a few of which were debated and discarded, but then the Democrats relented and allowed the remainder of the cuts to be voted together. They were rejected 30-8 on a partisan vote.

Bulger (D-South Boston) said the Republican package of cuts was illusory and poorly drafted. He added that anyone could have put together a package and claim it would save $250 million.

"Some of these things are unconscionable," he said. "They can't be done and everyone knows it."

Republicans said that rejection of their package of spending cuts by the Democrats meant the Democrats were not interested in avoiding taxes. "We're trying to avoid taxes. The Democrats didn't want to do that," said Sen. David Locke (R-Sherborn).

Bulger also disclosed that the Senate Ways and Means Committee, headed by McGovern, will be coming out with a bill next week to deal with the universal health care law. Bulger indicated that the bill will attempt to save the state money by delaying implementation of the law by anywhere from six months to two years.

Hospice group opens doors for insured patients

Bev Times 12/14/89

By KELLEY BOUCHARD
Times staff

BEVERLY – Terminally ill patients can now count on their medical health insurance to cover the cost of at-home care provided by a regional Hospice organization.

The Beverly-based Hospice of the North Shore Collaborative recently received Medicare and Medicaid certification, according to its executive director Diane Stringer.

"Most medical health insurance policies now cover Hospice care," Stringer said. "More and more are starting to, including some HMOs"

Before the collaborative was certified, terminally ill people on the North Shore would have had to pay for Hospice care or go without it, she said.

The collaborative includes the Hospice of the North Shore, Beverly Hospital, the Bay Area Visiting Nurses Association (VNA), the VNA of the North Shore, AtlantiCare of Lynn and the VNA of Greater Lynn.

Formed last February and licensed with the state in June, the collaborative cares for patients who have a terminal illness and are candidates for primarily supportive care at home, Stringer said.

"Cancer patients make up the majority of our patients," Stringer said. "The rest are in the end stage of heart disease or they have AIDS."

Stringer said the collaborative is the only licensed organization on the North Shore to provide insurance-reimbursable terminal health care – unless people have the money to pay for the limited number of beds available to terminally ill patients in area nursing homes.

"The North Shore is late in developing programs compared to other populated areas of the country," Stringer said.

Stringer said the collaborative provides "coordinated, interdisciplinary care for the entire person" – emotional, psychological, medical and spiritual. Workers from the collaborative are trained as physical therapists, nurses, doctors and technicians, she said.

With the help of volunteers from the Hospice of the North Shore, the collaborative also provides support and friendship for the patient and bereavement support for the patient's family.

Stringer said patients must be certified by a physician to have a limited life expectancy and have at least one family member or close friend to provide the patient's primary care.

Aspirin in early pregnancy has no effect on fetal heart, study says

Boston Globe 12/14

ASSOCIATED PRESS

Women who take aspirin during the early months of pregnancy apparently do not increase the risk of having babies with defective hearts, a new study concludes.

A recent study suggested the possibility that aspirin might increase the risk of malformations of the heart in the developing fetus.

However, the latest research, based on a review of 8,821 mothers, discounts this concern.

"The findings of this study indicate that aspirin use during the first trimester of pregnancy does not increase the risk of congenital heart defects in relation to that of other structural malformations," the researchers wrote.

Women are usually advised to avoid aspirin during pregnancy because it might contribute to excessive bleeding during childbirth. But aspirin use is common during pregnancy, especially during the first three months, when women may not realize that they are pregnant.

The study of aspirin's effect on the heart was conducted by Dr. Martha M. Werler and colleagues from the Sloan Epidemiology Unit at Boston University School of Medicine. It was published in today's New England Journal of Medicine.

The researchers identified 1,855 women in Boston, Philadelphia, southern Ontario and Iowa who had given birth to babies with heart abnormalities. They were questioned about their aspirin use during pregnancy. Their responses were compared with those of 6,966 women who had babies with other forms of birth defects.

No difference in aspirin use was found between the two groups.

Very premature infants still face low rates of survival, study finds

By Rob Stein
UNITED PRESS INTERNATIONAL

Despite technical advances and more aggressive theraputic efforts, doctors have been largely unable to increase the survival rate for the most premature babies, according to a newly released study.

Researchers at Case Western Reserve University's medical school in Cleveland found that the chances of survival remained low for premature babies born less than 25 weeks into their development.

"I think we've reached the limits," said Dr. Maureen Hack, an associate professor of pediatrics who led a new study published in today's New England Journal of Medicine.

The question of when a baby is viable outside the womb has been an issue in the nation's abortion debate, the researchers noted.

"With pregnancy being terminated in some parts of the United States late in the second trimester and with live-born infants delivered at 22 weeks of gestational age occasionally surviving, it is imperative to determine the probability of survival for extremely low-birth-weight infants," they said.

To determine whether there has been any progress in improving survival for the infants, the researchers compared 98 very young babies delivered at the MacDonald Hospital for Women in Cleveland between 1982 and 1985 with 129 very young infants born between 1985 and 1988.

> **'The probability of survival is very poor if the length of gestation is less than 24 weeks or the birth weight less than 600 grams.'**
>
> CASE WESTERN RESERVE STUDY
> *In New England Journal of Medicine*

The frequency of Caesarean sections increased from 12 percent to 19 percent during the two periods and infants were increasingly put on respirators to help their underdeveloped lungs.

But despite the more aggressive approach, the chances that the babies would survive did not increase significantly overall and the outcomes of those who did live did not improve substantially, they said.

"Despite a tendency to perform more sections and active resuscitations, no improvement in the survival of babies with lengths of gestation below 25 weeks or birth weights" under 750 grams was observed," the researchers wrote.

"The probability of survival is very poor if the length of gestation is less than 24 weeks or the birth weight less than 600 grams," they said.

Researchers said their results have ethical, economic, and medical-legal implicatons.

"Extremely low-birth-weight infants who require prolonged, often futile sojourns in neonatal intensive care units or who have poor long-term outcomes have become major consumers of health care resources and, in some cases, a major drain," they said.

The researchers noted, however, that they did not evaluate certain recent advances that could improve survival, such as the use of a substance known as a surfactant to help premature infants' immature lungs.

State credit rating worst in the nation

Boston Globe 12/14

By Bruce Mohl
and M.E. Malone
GLOBE STAFF

The state's bond rating was lowered three notches yesterday by Standard & Poor's Corp., dropping Massachusetts below economically depressed Louisiana and giving the state undisputed title to the worst credit rating in the nation.

The rating drop, which came a month after stern warnings from the Wall Street bond-rating agency, makes Massachusetts the least attractive state from which to buy bonds. Massachusetts had shared that distinction with Louisiana for a month.

Standard & Poor's cited "poor financial operations and a paralyzed budgetary process" in lowering the state's rating from A to BBB. It also cut the ratings on the state's short-term debt as well as on bonds issued by the various state authorities, all of which will have to pay more to borrow money.

"In my experience, I have not seen a state fall this dramatically in its credit rating," said Cathy Daicoff, managing director of municipal finance at Standard & Poor's. "There's been an inability or unwillingness to make timely financial decisions."

L. Edward Lashman, the governor's secretary of administration and finance, did not try to gloss over the state's dire situation. "I think it's very bad and I think it's a reflection on our inability to solve our problems," he said.

Lashman noted the Standard & Poor's rating is still high enough to attract most institutional investors, but he expressed concern that without a tax package, the state's bonds may soon become the equivalent of "junk bonds."

Moody's Investors Service, the other main bond-rating agency on Wall Street, had dropped the state into a tie with Louisiana on Nov. 15, citing the State House impasse over solving the budget crisis.

RATING, Page 45

State's credit rating lowered, now worst in the nation

From Page 1

rday's sharp drop by Stan- Poor's came as House and e leaders began preparing to the finishing touches on a rough- $350 million package of spending cuts that falls far short of closing the estimated $825 million deficit for the current fiscal year.

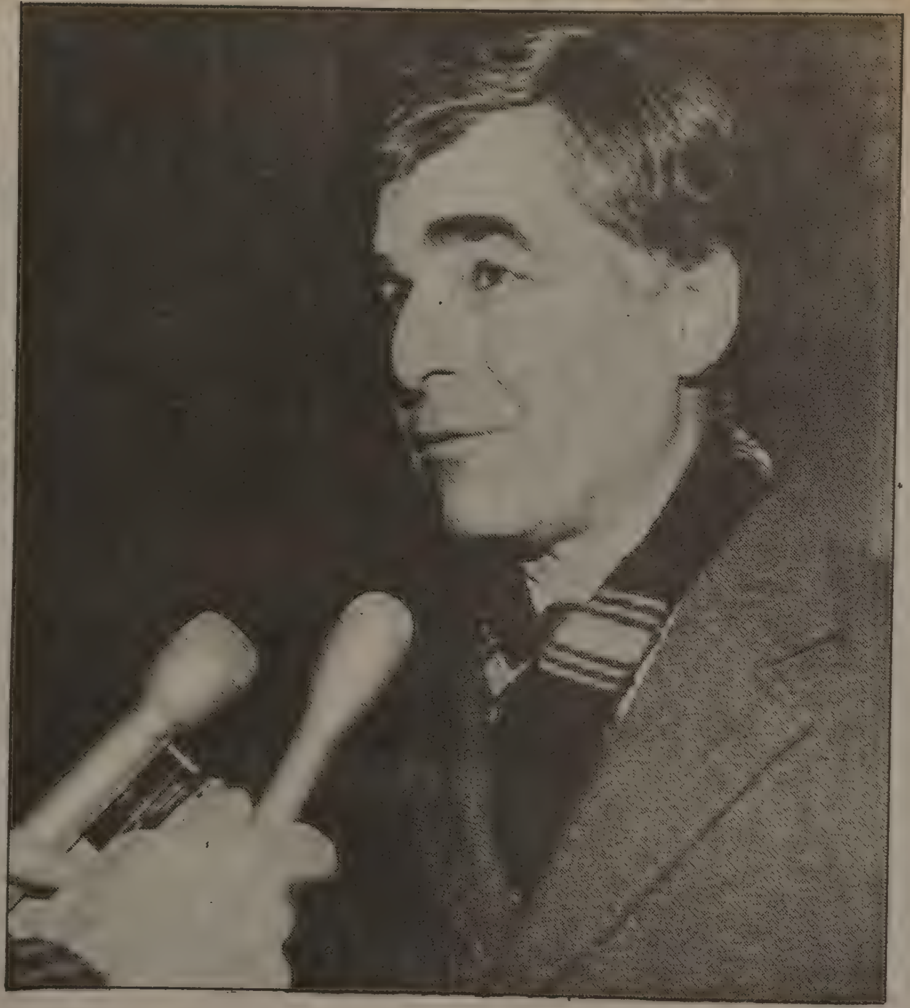
Most legislative leaders said yesterday there is no longer any doubt that new taxes are necessary and they were backed by some new support from business groups and municipalities. But it remained uncertain whether rank-and-file lawmakers would feel the same way.

House Majority Leader Charles Flaherty (D-Cambridge), who conferred with House Speaker George Keverian yesterday, said he believes the House will move quickly next week to introduce a tax package to try to end the budget stalemate.

"I think it's important that we resolve this by the end of the year for practical reasons. The longer we wait, the higher the taxes that will have to be raised," Flaherty said.

"I said back in the budget debate in the House in the spring that I did not believe we had an economic crisis, we had a political crisis," Flaherty continued. "That is most definitely the case now."

Senate President William Bulger (D-South Boston) yesterday said taxes were inevitable, after emerging from an all-night session to hammer out a $353.4 million package of spending cuts and nontax revenues.



AP PHOTO

Gov. Dukakis talks to reporters last night outside his office about the state's bond rating.

"It's totally up to the House of Representatives now. We're waiting for them," Bulger said.

The Senate's package of spending cuts must now be reconciled with a similar package passed by the House last month. Richard A. Voke (D-Chelsea), chairman of the House Ways and Means Committee, said a conference committee will meet through the weekend to merge the two proposals.

Flaherty said a joint House-Senate package could be approved by both branches Monday and work could then begin on resurrecting a tax-raising measure to cover the remaining $450 million to $500 million budget gap.

The House earlier this month rebelled against a $1 billion tax package offered by its leadership, leaving House leaders to refashion a smaller tax package that is more politically palatable.

The Dukakis administration has said it has enough rank-and-file support in the House to raise the sales tax from 5 cents to 6 cents on the dollar, increase the gasoline tax by 6 cents, and boost alcohol and cigarette taxes.

That package would raise about $300 million, leaving the state another $150 million to $200 million shy, which sources said would likely be covered by broadening the sales tax to include services, such as car rentals and landscaping design fees, that are not currently taxed.

Changing positions on taxes

A number of groups and individuals that have balked at tax increases or remained neutral have, in the last two weeks, spoken in favor of limited tax increases, often with their own caveats attached.

A number of members of the business community and the Massachusetts Taxpayers Foundation, for example, have said they will endorse moderate tax packages that do not call for increases in the state's 5 percent capital gains tax.

Lt. Gov. Evelyn Murphy, who as a gubernatorial candidate has called for limited state spending growth, said yesterday that she will lobby legislators this week to try to win approval of a tax program.

The politically influential Massachusetts Municipal Association, which has been slow to endorse new taxes as a means of resolving the budget deficit, yesterday had a change of heart and endorsed new taxes to stave off further cuts in the state's aid to cities and towns.

"We would accept new taxes if a major component is that some of the money goes to cities and towns," said the group's president, Paul Marshall, a Lexington selectman. Marshall, however, said the municipalities also want the $240 million in local aid withheld by the governor this year.

Marshall said he believes his organization's influence on Beacon Hill may help tip the balance in favor of a "responsible tax increase."

Some differences remain

The $354 million Senate-approved version of the savings package contains a number of controversial provisions that were not part of the House's $368 million plan and it deleted other items that the House had approved.

But leaders of both chambers said they expect no major stumbling blocks in their attempts to combine the two proposals.

The major and likely most debated difference is a provision in the Senate measure that will force all state employees to pay 10 percent of their health insurance premiums. Currently, those enrolled in health maintenance organizations, or HMOs, pay nothing.

In its statement yesterday, Standard & Poor's said the Dukakis administration believes spending in fiscal 1991 will have to be $80 million below this year's level without new taxes. Lashman's aides said spending so far this year is running about $400 million ahead of last year's pace, primarily because of $525 million in additional spending on entitlement programs.

Standard & Poor's gave Massachusetts a high rating on upcoming short-term borrowings only because they are backed by three Japanese banks. The agency said the prospects are not strong for the state's fiscal future at this point.

"This leaves Massachusetts devoid of any credit strengths associated with a higher rating, except for a sound, albeit softening, economy," the agency said.

As James Braude, executive director of the Tax Equity Alliance for Massachusetts, said: "We're safe until someone else applies for statehood."

---

omed th
h Mandela
n with De Kl
sult with the full
cal opinion concern
future of all South Af
Last night Mandela's pic
roadcast on state-run telev
first time. Technically,
picture is still illegal
seemed to sta
ing critics of L
in Lu

BeV Times 12/14

Bush inks repeal of catastrophic health care act

WASHINGTON (AP) – Medicare's controversial Catastrophic Coverage Act, which sparked a senior citizens' tax revolt, is no more.

President Bush signed the repeal Wednesday night of the year-old program that elicited howls of protest from affluent retirees facing income tax surcharges up to $800 apiece.

The government expects repeal of the Catastrophic Coverage Act to raise the federal deficit for fiscal 1990 by $4.8 billion, but reduce the deficit by $15.8 billion over the next four years.

Some advocates for the elderly have warned that the elderly are likely to face steep price increases for so-called "Medigap" insurance policies now that Medicare has been shorn of the catastrophic illness benefits.

When President Reagan signed the act into law in July 1988, it was billed as the biggest benefit expansion in Medicare's history. Reagan called it a move that would remove one of the worries of old age: going broke from illness.

Instead, it triggered a flood of complaints from elderly taxpayers appalled at the prospect of higher taxes.

In enacting the catastrophic coverage, Reagan and Congress made the beneficiaries foot the bill entirely by themselves. All 33 million Medicare beneficiaries were charged an extra $4 per month in Medicare premiums, and the wealthiest 40 percent were to be docked a 15 percent surcharge on their income taxes, up to $800.

Many elderly griped they already had sufficient insurance from their old jobs or private policies, and thus were being forced to pay for something they didn't need.

The law now repealed would have limited their expenses to $592 for the first day's stay in a hospital and to $1,370 in other out-of-pocket medical expenses, starting in 1990. After that, Medicare would have paid all charges it deemed reasonable. It also would have provided some prescription drug benefits.

The critics said the catastrophic act did little to address the biggest cause of impoverishment from ill health: nursing home bills that can run $25,000 a year or more.

Bush had backed the Medicare expansion during the 1988 campaign and denied that it involved a tax increase. He took no position this year as lawmakers beat their retreat from the program.

The Social Security Administration says it will take several months to reprogram its computers, so the premiums will still be taken out of Social Security checks until early next year, when people will get a lump sum refund.

The repeal is retroactive to Jan. 1, 1989, when the program started.

The repeal legislation left standing some provisions that expanded Medicaid coverage for pregnant women and infants up to age 1. States are now required to cover poor women and their babies living at or below the poverty line.

Also left intact was a requirement that state Medicaid programs start paying Medicare premiums for the elderly poor or disabled.

Bay Area VNA to hold health clinic

Ham-Wen, 12/13

The Bay Area Visiting Nurse Association will be sponsoring their monthly Health Maintenance Clinic on Monday, Dec. 18, at 12:30 p.m. This month, the topic of the Health Maintenance Clinic will be "Living With Chronic Pain", and will be presented by Susan Sepich, health instructor at Bay Area Visiting Nurse Association. Following the presentation there will be a short time for questions.

The Clinic will be held at the recreation room at Enon Village, and all Wenham residents over the age of 60 are encouraged to attend.

The presentation of the discussion topic will begin promptly at 12:30 p.m., and registered nurses will see particpants individually to check blood pressures and review medications after the discussion.

The clinic is offered by the Bay Area Visiting Nurse Associaton and funded in part by the Senior Home Care Services, Inc.

For information, please call the Bay Area Visiting Nurse Association at 922-1722.

HAM-WEN, 12/13/89

New therapist on staff at Willowdale Counseling firm

The Willowdale Center for Psychological Services has announced theat Janet Anderson, Ed.D., joined their staff in October. Anderson received an MTS from Gordon-Conwell Theological Seminary with an emphasis in Pastoral Counseling, worked as a family-focused substance abuse counselor for a few years and then received her doctoral degree from Harvard University in Counseling and Consulting Psychology.

For more information or to schedule an appointment, contact the Willowdale Center for Psychological Services, 205 Willow Street, South Hamilton, MA 01982 or call (508) 468-4151.

Murphy calls for tax hike

Boston Globe 12/14

By Scot Lehigh
CONTRIBUTING REPORTER

In a tilt leftward, Lt. Gov. Evelyn Murphy issued a strong call for raising taxes yesterday.

Murphy, in a luncheon meeting with Boston Globe editors and reporters, warned that Massachusetts risks a self-inflicted recession if the budget problems are not solved by year's end, and promised that she would be "on the phone and in the halls" lobbying to get new taxes passed.

Until yesterday, Murphy had confined her comments on the state's fiscal crisis to a generic endorsement of budget-balancing efforts. But at the lunch, she forcefully embraced what progressive Democrats have been saying for months: that new taxes are necessary to preserve essential state services. Saying that "the time has come to stand up," Murphy also chastised those who have have derided state employees as "hacks," and promised she would have more to say on that subject next week.

Murphy's move leftward comes as more and more progressives, disheartened by the current field's refusal to endorse new taxes, are encouraging US Rep. Joseph P. Kennedy 2d to enter the governor's race.

Yesterday, Murphy offered a specific list of new taxes she favors. Estimating that the cuts-and-savings packages currently before the Legislature will reduce the fiscal year 1990 deficit by $350 million at best, Murphy said that even after those

MURPHY, Page 45

ues strong call for higher taxes

■ MURPHY

Continued from Page 1

cuts are passed, the state will be left with a $450 million deficit.

"That is going to call for additional revenues, taxes, whatever you want to call them," she said. "That is the piece that has to be addressed by the end of this year." If taxes are not passed, Murphy said, fears of a recession may well become a self-fulfilling prophecy.

The candidate in the Democratic race for governor said she supported proposals to raise the gas tax, sales tax, and "sin taxes," which she estimated would bring in $300 million. She also supported raising the capital gains tax, but in a way that exempted stock-option compensation packages often used by new high-tech companies. If that proves politically impossible, she said, "Then the expanded sales tax is the only way you can make [the budget] whole."

Murphy said she plans to lobby "on the phone and in the halls" to help pass a tax package. "I want to get this resolved, and I want to get it done by the end of this year," she added.

Yesterday's call for new taxes sets Murphy sharply apart from her Democratic Party rivals, former Attorney General Francis X. Bellotti and state Rep. Jack Flood (D-Canton). In a speech to the South Shore Chamber of Commerce last week, Bellotti said more budget cuts are needed before taxes should be raised. Flood has made his opposition to any new taxes the centerpiece of his campaign.

Murphy was critical of Bellotti's approach yesterday.

"I think the basic point he has missed is that we are dangerously close to inflicting this recession unless we all step up and resolve the whole problem," she said.

In another statement obviously meant as a criticism of Bellotti, her chief Democratic rival, Murphy said she was the only truly prochoice candidate in the race and that she "didn't change her position on the death penalty because I saw the numbers running a different way." Bellotti's position is essentially the abortion-until-viability framework that the US Supreme Court established in Roe vs. Wade. Murphy, meanwhile, opposes any restriction on a woman's right to have an abortion.

Bellotti, who was once against the death penalty, says he would now favor it if it could be applied fairly. Murphy opposes the death penalty, arguing that it cannot be. In the past she has cited studies showing that it falls disproportionately on minorities. Yesterday she went further, calling the death penalty "racist."

Murphy said she thought abortion and the death penalty would become "questions of character and values" that demonstrated whether the candidates "will stand and act on their beliefs." She predicted both issues would ultimately rebound to the benefit of "those of us who don't keep flipping around on them."

Murphy also set her sights on another possible Democratic candidate, Boston University president John Silber. Silber, who is seriously considering running for governor as a Democrat, opened a campaign committee on Tuesday.

"I don't know how John Silber can see himself as a Democrat," Murphy said. "I think he will find the surprise of his life as he tries to get out and campaign. ... I don't know what John Silber is, but he is not a Democrat in the sense that I would like to see the state led by progressive Democratic politics."

Murphy defended her refusal to participate in the first major debate scheduled for the Democratic gubernatorial candidates in mid-January, saying she did not think people were listening yet. "I am going to debate on my time, and I am going to run things on my time," she said. "I don't think January is the time to do it."

Murphy denied that her association with Gov. Dukakis, whose unfavorability rating has hit record highs, would hurt her candidacy. Rejecting the notion that Dukakis will be a campaign albatross for her, Murphy said that Democratic efforts to saddle Vice President George Bush with then-President Ronald Reagan's shortcomings and Republican efforts to tie Dukakis to former President Jimmy Carter both had failed.

"When voting day came, the nation looked at each one of those people, and said who are they, what do they stand for, and decided on them, I believe, quite apart from their associations with former presidents," she said. Murphy said that she had not yet asked for Dukakis' endorsement, but that she planned to after she formally announces her candidacy.

"I think I am in the fight of my life to win this," she said. "I want every endorsement I can get."

Murphy finessed a question about whether the state would be in the same mess if Dukakis had not run for president, but she did criticize her longtime rival, former Secretary of Administration and Finance Frank Keefe. Noting that she had predicted a large budget deficit in April 1988, she said that Keefe had "grossly overestimated what the revenues were going to be in 1988 and I think distorted a lot of that."

Keefe responded yesterday that Murphy was "grossly incorrect" in blaming him, and said he had relied on the Revenue Advisory Board's estimates. "I guess she is criticizing the Revenue Advisory Board," he said.

Murphy also said that the time has come to stand up to those who demean public servants as "hacks," which she said was "not only unfair but very mean-spirited." Noting that she plans to address that issue in a speech next week, Murphy continued, "I believe it is time for many of us to stand up and say enough is enough with this beating up by people on radio talk shows."

Asked about women in politics, Murphy said she thought they were frequently underestimated. Her challenge, she added, is to "show people that with a soft-spoken style, I can be as willful and as tough and as able to pull a political consensus together to get things done in this state" as a male politician. "Watch me pull it off."

"I didn't get to where I am in politics in this state by fitting a glass slipper," she said.

Law'ce Eagle Trib 10/13/89

$600,000 deficit

Hale will lay off 34; union rejects pay cut

By Bill Cantwell
Eagle-Tribune Writer

HAVERHILL — Managers of Hale Hospital say they will have to lay off at least 34 workers because Hale's largest union refuses to take a pay cut.

Hale administrator Thomas Sager said members of Hale's Service Workers International Union, which represents about 300 workers, refused to take a 6 percent pay cut to help Hale survive financially.

The hospital must find a way to cut $600,000 from its budget because the city budget is too tight to bail out Hale. Because the union refuses to take a pay cut, Hale trustees this morning decided to:

CUT 34 JOBS and leave vacant 10 others that are now unfilled. That will save $435,000, Mr. Sager said. He and doctors' representative Dr. Stanley Jacobs stressed the cuts will not hurt the quality of patient care.

TRY TO SAVE OTHER JOBS by making a bookkeeping change that will keep the city from paying off as much deficit money as it now must each year. Trustees will ask the mayor, City Council and state Legislature to approve the change.

If they do not approve it, at least 11 other jobs will be at stake, Mr. Sager said. Gary Marlow, director of Hale finances, said the change would allow the hospital to carry over some deficit money to later years, avoiding the large annual deficit payment Hale now faces.

FIGHT ANNUAL PAYMENTS of $160,000 in interest on a loan Haverhill took to bail Hale out of a jam several years ago. Even though city lawyers said Hale must make the annual interest payment and an increased payment in future years because principal will be added, trustees disagree.

They said Hale should not have to make the payment until the hospital starts making more money than it needs to break even. Mr. Marlow said as many as 20 jobs could be at stake if Hale is forced to make the payments.

Mr. Sager and doctors agreed any job cuts beyond the 34 trustees approved will jeopardize patient care.

"This definitely could cause a problem in terms of quality," Mr. Sager said. "It just isn't a good option."

Trustees and Hale managers discussed the specific jobs that are involved in a meeting behind closed doors, on the advice of city lawyers, Mr. Sager said.

He said he hopes workers would change their minds and reconsider the pay cut. "I hate to close the door on it now that we said we'd do it," he said.

AIDS now a top killer of young in Mass.

12/14

Boston globe

By Dolores Kong
CONTRIBUTING REPORTER

AIDS now ranks among the top five killers of Massachusetts residents ages 25 to 44, while the lung cancer death rate for women has skyrocketed 138 percent since 1970, according to state statistics being released today.

In its report of death statistics, the Department of Public Health found that heart disease and cancer continue to be the leading causes of death for the entire population. They accounted for a combined total of 60 percent of the 55,562 deaths that occurred in Massachusetts during 1987. The overall age-adjusted death rate in the state dropped to its lowest ever, 527.8 deaths per 100,000 residents.

The 1987 death figures are the most recent the department has been able to compile and analyze, given staff and funding cutbacks, according to Daniel Friedman, assistant commissioner for the department, in charge of the Bureau of Health Statistics, Research and Evaluation.

AIDS is the fifth leading cause of death among residents ages 25 to 44, behind cancer, heart disease, suicide and injury from car accidents.

"And it's gaining," said Duane Draper, director of the Massachusetts AIDS Office, part of the public

DEATHS, Page 68

ller of young in the state

■ DEATHS

Continued from Page 53

health department. "AIDS is a young person's disease, because it's transmitted by sexual contact and IV drug contact."

Draper said, "At the current rate, in the next few years, the only competitor in this age group is going to be violence."

Friedman said, "It's reasonable to expect that AIDS may well be overtaking motor vehicle injuries in that age group." In 1987, a total of 183 residents in the 25 to 44 age range died from AIDS and HIV-related disease, compared with 220 who died as a result of injury from car accidents.

According to the 1987 data, more than 75 percent of the 241 AIDS and HIV-related deaths occurred among residents between 25 and 44. Five of the deaths were children younger than 14. The deaths occurred disproportionately among the races, 78.8 percent white and 20.8 percent black, while blacks represent only about 4.5 percent of the state's population.

Comparisons between how AIDS ranked as a cause of death in this age group in 1987 and in other years cannot be readily determined, because coding for AIDS deaths changed between 1986 and 1987, Friedman said.

Following a nationwide trend, the rate of lung cancer deaths among women in Massachusetts has increased, a result of increased cigarette smoking among women over the decades.

"It's been going up. It's been going up very dramatically," Friedman said. With female teen-agers today continuing to pick up the habit, Friedman said, lung cancer could become a greater problem among women in the future.

"These are absolutely preventable deaths. There's no reason for these people to be dying," Friedman said.

The report also found wide variations in causes of death by age and race. For example:

- The leading cause of death for all 5- to 24-year-olds is car-related injuries, while residents 45 and older died most frequently from heart disease.
- Black males ages 15 to 24 died from homicide at a rate 29 times that of white males in that age range.

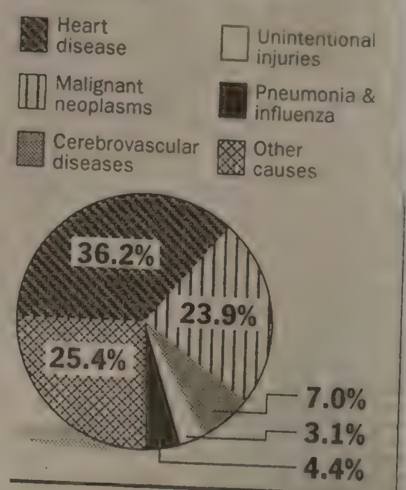
The toll that AIDS is taking on babies, as a result of HIV infection while in the mother's uterus, has not yet shown up in state records, said Bruce Cohen, director of research and epidemiology for the department's Bureau of Health Statistics.

"We don't know what's going to happen with pediatric AIDS," Cohen said. "It may become one of the leading causes" of death for children 4 and younger, he said.

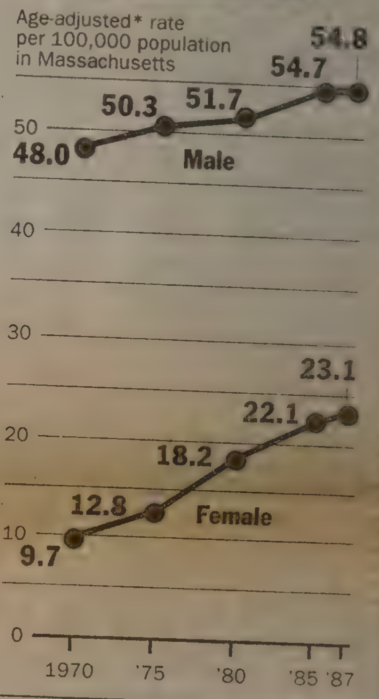
The number of babies born with drugs in their systems may also be increasing, Cohen said, but again, the state's records do not accurately reflect that. Birth certificates in Massachusetts do not specifically show whether babies are born exposed to drugs or HIV, the virus that causes AIDS.

Leading causes of death in Massachusetts

All age groups



Lung cancer deaths in Massachusetts



*A procedure to minimize the effects of age variation in different populations by adjusting all data to a reference population. The age adjusted formula accounts for the fact that Barnstable County is 20.7% over the age of 65 while only 10% of Hampshire County is that old.

SOURCE:"Advance Data: Deaths 1987", Mass. Dept. of Public Health

GLOBE STAFF CHART

New York is trying to get a sense of the impact of drugs on babies by including on birth certificates information on drug use by mothers, Friedman said. He said he has contacted New York's health department to see how that system is working.

In addition to increases in deaths in 1987 from AIDS in the 25 to 44 age group and lung cancer among women, the data found smaller increases in the age-adjusted rate of death from all cancers, to 138.1 deaths per 100,000 residents, up from 136.9 per 100,000 in 1986.

Age-adjusted death rates for the following causes decreased in 1987:

- Heart disease: Continued long-term downward trend, a drop of about 2.4 percent a year since 1980, to 173.2 deaths per 100,000.
- Stroke and other cerebrovascular disease: Dropped an average of 3.3 percent a year since 1980, to 29.1 deaths per 100,000.
- Unintentional injuries, including car accidents: From 1980's rate of 30.9 deaths per 100,000, down in 1987 to 23.8 deaths per 100,000.

Hard times forcing Hunt Hospital to seek merger

A News staff report

DANVERS — Faced with several lean financial years, Hunt Hospital is looking for partnerships with other hospitals, Town Manager Wayne P. Marquis said Wednesday.

Marquis said the town-owned hospital would look at relationships with roughly seven hospitals in Eastern Massachusetts, including Boston.

Hospital Administrator David L. Stansberry supported the move.

"I think during tough financial times, some of the best ideas come forward," he said. "There is also a motivation to take action. It is probably something that does happen during tougher times."

"This is a time of change for all health care institutions," Stansberry said.

Marquis said, "We want to position ourselves to be viable long into the future."

Hunt Hospital operated in the red last year, losing more than $1 million. Stansberry previously has projected that the hospital will end the current fiscal year with a deficit.

The hospital has explored a number of alternatives to cut costs. Employees were laid off earlier this year.

Marquis wrote in a memorandum to the Board of Selectmen dated Dec. 11 that the town already began "informal discussions" with several area hospitals about starting up "closer working relationships with one or more of them."

"The expectation was that areas could be identified where certain sevices might be provided more efficiently and effectively on a joint basis," Marquis wrote.

The meetings included administrators, doctors and hospital trustees.

As a result, Marquis said the conclusion was that possibilities existed for working with other hospitals.

"In a strategic sense, it's essential that we continue to examine these and other alternatives, particularly in view of the rapidly changing health care environment," Marquis wrote.

Stansberry said that other areas of the country have been working on joint relationships for several years.

Marquis refused to identify any of the hospitals with which Hunt might be able to work. He also was tight-lipped of saying what type of relationship the Hunt might enter.

An example would be a specialist from a Boston hospital working several days per week at Hunt. If additional care was needed, the patient might end up at the Boston hospital. As a result, both hospitals would benefit.

A second possibility would be pooling the cost of equipment, which is often expensive.

Danvers has retained the Boston law firm of Gaston and Snow and financial consultants Boston Bay Consulting and also is receiving help from HCA Management Co., the company operating Hunt Hospital.

The first goal of the study group would be to develop guidelines within which other hospitals could submit ideas to Hunt. Several hospitals already have approached Hunt with plans.

The review group then would analyze the plans and make recommendations to Marquis by early March.

Following further input from hospital trustees and hospital staff, Marquis could make a recommendation to selectmen.

"I remain confident that by aggressively moving forward, we will be able to assure and enhance the long-term future of the hospital in a manner which will not adversely affect our taxpayers," Marquis wrote.

RX ... FOR YOUR HEALTH

Item 12-15-89

From left, James Lomastro, Shaughnessy-Kaplan Rehabilitation Hospital's executive director, Alma Pelletier, president of Friends of Shaughnessy-Kaplan, and the Rev. Edward Keohan attended a reception celebrating the hospital's newly-renovated chapel.

COURT HANDS DOWN MALPRACTICE RULING: The state's highest court has ruled that family members of malpractice victims can sue doctors for separate damages, in a decision that could cost malpractice insurers millions of dollars. The argument centered around the ambiguous wording of malpractice policies. The Medical Malpractice Joint Underwriting Association of Massachusetts argued that medical malpractice policies covered the primary injury – a physical injury to a patient, or death – but did not address injury to a spouse or child. That would have limited damages to a $1 million cap for a single claim, said Acheson Callaghan, an attorney for the underwriting association.

Bev Times
12/15

Region 12/13

Ipswich leads the way in elderly housing

With the opening of Cable Gardens at the junction of Routes 1A and 133 earlier this month and construction under way at the proposed Oak Hill elderly housing facility on Central Street, Ipswich will have more than 100 elderly units available by next Setemeber. Both projects are formed under the congregate housing concept, which allows residents as much independence as they want, while still offering services such as a meal a day, visits from the Bay Area Visiting Nurses Association, and social activities. Of the 70 units at Cable Gardens, 28 are subsidized under the control of the Ipswich Housing Authority, while 24 of Oak Hill's 33 units will be subsidized under the FHA rent subsidy program.

Pins Presented for November .. Bev Times 12/18

According to the Beverly Hospital Volunteer Newsletter, award pins have been presented to Elsie Watters, coffee shop, 7,500 hours; Lucy Mercaldi, nursing division, 4,500 hours; Hoy Chapman, admitting, 300 hours.

Also receiving pins were Dot Clark, pharmacy courier; Jane Karaman, Women's Health Connection; Frances Larsen, maternity; Margaret McLaughlin, Medicare desk; Guy Sperry, community relations; John Cotoia, coffee shop; Betty Cushman, gift shop; Eileen Suppes, gift shop.

Monthly clinic

Ips Chronicle 12/13

The Bay Area Visiting Nurse Association will be sponsoring their monthly health maintenance clinic on Thursday, Dec. 21, at 10:30 a.m.

The clinic is held in the Recreation Hall at Agawam Village in Ipswich, and all residents of Ipswich over the age of 60 are encouraged to attend.

Cancer support group

12/12 Gloucester

The Cancer Support Group at Beverly Hospital will address fighting the holiday blues at its regular meeting, from 7 to 8:30 p.m. tonight on the sixth floor of the Johnson Building.

The Cancer Support group meets on the second and fourth Tuesday of each month, however, due to the holidays this will be the only meeting in December. The meetings are open to cancer patients, their families and friends.

VNA HEALTH CLINIC: The Bay Area Visiting Nurse Association will be sponsoring their monthly health maintenance clinic on Monday, Dec. 18 at 12:30 p.m.

This month, the topic of the Health Maintenance Clinic will be "Living with Chronic Pain," and will be presented by Susan Sepich, health instructor at Bay Area Visiting Nurse Association. Following the presentation there will be a short time for questions.

The clinic will be held at the recreation room at Enon Village, and all Wenham residents over the age of 60 are encouraged to attend.

For information, call the Bay Area Visiting Nurse Association, at 922-1722.

Bev Times 12/15

Four released after accident

Bev Times
12/18

BEVERLY – Four people were treated and released from Beverly Hospital Saturday for minor injuries suffered when the vehicle they were riding in was struck by another in a hit-and-run accident on Route 128.

State Trooper Michael Cooney of the Peabody barracks said a car driven by Peter A. Nathan, 33, of 64 Farragut Rd., Swampscott, was struck on Route 128 northbound in Beverly at about 12:30 p.m. Saturday. Nathan, his son David, 7; and two passengers from Ontario, Canada, David Pritchard and Madelaine Pendelley, were all hurt in the accident, after which Cooney said the vehicle fled the scene.

Claire L. Converse, 28, of 51 Gore St., East Cambridge, was arrested later on Route 22 in Essex and charged with leaving an accident scene, driving after suspension of her license and driving to endanger.

Pritchard was taken by ambulance from the accident scene to Beverly Hospital, while the others went to the hospital later.

City projects put on hold

Bev Times 12/14/89

By **KAREN DiCONZA**
Times staff

BEVERLY – Mayor F. John Monahan has put off consideration of all proposed capital projects – such as a new police station or expanded library – until after the new year.

In a telephone interview, the mayor said he is waiting for word from the state as to what financing will be available for the city's pending projects. He added that he plans to again discuss the proposals in the beginning of 1990.

"I'll be reviewing all capital projects after the first of the year with the Board of Aldermen," Monahan said.

"I won't be able to make any decisions until there is some certainty, even in the short term, of the state funding," he said.

There are four big-money capital projects pending in the city: an $8 million public library expansion, a $4-4½ million new water tower in North Beverly, a $2-2½ million new senior citizens' center and new police station. Discussions of a new station have included cost estimates of $6-8 million.

While city officials agree that all are of the projects are important, there has been much debate over which project should take priority.

During the recent mayoral campaign, unsuccessful mayoral challenger Jeffrey Conley repeatedly criticized Monahan for his style of financial planning, saying the city should have a formalized capital spending plan for major projects.

Monahan has said he does have a capital plan that included the pay-as-you-go improvements to school buildings and the purchase of new police cruisers and public works trucks.

The police station is the project that appears to be at a complete stand-still, since officials cannot agree upon a location for the new building.

"We still don't really have a site, so it's still uncertain," Monahan said.

Advocates for a new police station say the current station next to City Hall is cramped, inadequate to handle prisoners.

Although a special committee earlier this year recommended land behind the Memorial Middle School as its recommendation for a station location, Monahan decided not to go ahead with testing the site for its suitability because of its proximity to residential areas.

Monahan said he is still waiting to hear from officials from the Black & Decker Corp., the owner of the former United Shoe Machinery (USM) site, to discuss the likelihood of the station being built on their property off Essex Street. He said officials are also considering housing the station in the former American Cablevision building on Tozer Road.

> ***"I'll be reviewing all capital projects after the first of the year with the Board of Aldermen. I won't be able to make any decisions until there is some certainty, even in the short term, of the state funding."***
>
> **– Mayor F. John Monahan**

Monahan was optimistic about the status of the library and senior citizen projects, saying, "These two appear ready" since "the funding is in place."

However, the city's $6 million pledge toward the massive library expansion project is contingent upon receiving a $2 million state grant. And state funds are now in limbo, already eliminated from this year's capital budget and unknown about next year's.

The new senior center, to be located next to Beverly Hospital off Colon and Heather streets, is estimated to cost $2-2½ million, with a $1.5 million state grant already in hand. The rest will likely have to come through private donations, with the mayor pledging the city's help as well.

The current center is at the GAR Hall on Dane Street.

A new water tower, which will likely cost about $4-4½ million, will be built on a hill near the Dunham Castle Estates condominium complex. About $1 million is already in the budget from the city's $1,600-per-hookup connection fee fund, while the rest of the money will probably have to be borrowed through the long-term bond market.

The water tower's need has been cited to improve poor water pressure in Centerville and Beverly Farms for fire-fighting purposes.

Hunt passed accreditation review with flying colors

By Betsy Johnson

Hunt Hospital passed muster in a rigorous review by a major accreditation organization and was cited for its substantial compliance with the overwhelming majority of the mandated criteria.

Of 44 criteria in nine applicable categories, the Joint Commission on Accreditation of Health Care Organizations (JCAHO), cited the hospital for being in minimal compliance with only two criteria and for being in partial compliance for just one.

For every other applicable category (41), the hospital was commended for being in either significant or substantial compliance.

Calling the report "excellent" and a "tremendous success," David Stansberry, the hospital's administrator, said, "There were smiles all over the office when we got our report back."

Most hospitals get a JCAHO report back that has 15-20 pages of recommendations from the organization, Stansberry said. The report Hunt received had only three pages.

One physician told Stansberry that of all the hospitals in the northeast, Hunt stands with the cream of the crop in terms of its compliance with JCAHO standards.

In September, the JCAHO examined carefully the medical staff, hospital-wide monitoring, nursing services, quality assurance programs, medical records, patient services, hospital administration, plant, technology and safety management and hospital laboratories, including numerous criteria within each category.

Attention required

The three categories requiring attention, according to the Joint Commission, were medical records, the evaluation and reappointment of physicians and information received by the Safety Committee.

The report cited the commission's standards for timeliness of completion by the medical staff of patient records and indicated that the records of all discharged patients should be complete within 30 days of discharge.

> In 41 of 44 applicable categories the hospital was commended for being in either significant or substantial compliance.

It then notes that the hospital was at the time of the survey in only minimal compliance because 90 patient records had either incomplete information or had not been completed within 30 days of discharge.

Stansberry said the records are always completed, but that the hospital has held itself to a less rigorous standard than JCAHO would like.

"Our job now is to tighten up our controls," he said.

The report also cites the hospital for a lack of documented evidence that the results of quality assurance activities are directly used in the reappointment or re-evaluation of physicians. The report indicates the hospital is in compliance on this matter, but only minimally so.

The hospital will have to take information it gathers in the course of quality assurance surveys and apply it specifically to the reappointment process of physicians, Stansberry said.

While the hospital checks licensing, insurance coverage, continuing education credits and other details before it reappoints a physician, a new JCAHO policy now recommends figuring other criteria into reappointment or "credentialing."

As an example, Stansberry said, the hospital has done quality assurance reports on the pattern of doctor's orders for blood transfusions. The results of those reports should figure into an individual doctor's credentialing in the future, he said.

Finally, the report also suggests that the hospital Safety Committee receive reports on equipment and utility failures and on infection control, quality assurance and unusual events that occur in the hospital — for example, if someone falls, or is accidentally pricked by a needle or has a bad reaction to a medication — before the information is relayed to the Board of Trustees.

The hospital is expected to send a report to the JCAHO detailing its progress on medical records completion by Feb. 17, 1990 and reports to the Safety Committee by May 17, 1990.

DANVERS HERALD 12/14/89

ITEM ~~[illegible]~~
12/14/89

Health care reforms needed now

GUEST COMMENTARY/BEN HOLMES

The High Tech Council Health Care Committee has drafted a white paper on four specific aspects of health care in Massachusetts. The council supports the goal of affordable, accessible health care for every person in Massachusetts.

To begin to move toward this goal, the council's Health Care Committee recommmend the following four actions:

- Delay employer mandates under state universal health care law.
- Limit bad debt pass-alongs by hospitals.
- Reduce mandated health care benefits.
- Restructure the Medicaid program.

In April of 1988, the Massachusetts Universal Health Care law (Chapter 23) was enacted with no cost/benefit analyses that should precede a vote on such a major piece of legislation. Results from studies required by the law to determine the scope of the uninsured population in Massachusetts, to measure the extent of the problem, and to establish a system that effectively addresses this issue, are not expected until mid-1990.

The Council believes two new taxes on employers ($16.80 per employee beginning Jan. 1, 1990, and $1,680 per uninsured employee to begin Jan. 1, 1992) should be dealyed for one year when at least this minimum amount of analysis is completed, presented to and digested by the General Court.

Through an "uncompensated care pool," the state reimburses hospitals for uncollected debts and expenses resulting from care of the indigent, uninsured or those who just don't pay their deductibles or co-pays. This pool is funded by a 13 percent surcharge paid by Massachusetts employers on employees' medical bills, at a cost of nearly $300 million per year.

Employers pay this amount and the state administers the pool, without any clear distinction between free care and bad debt. Hospitals have little if any incentive to pursue bad debt collection, since the liability can be passed along to the pool for full reimbursement. Until we know how much the pool is paying for free care and how much for bad debt, meaningful cost containment will be difficult or impossible to achieve.

Chapter 23 empowers the Department of Medical Security to audit the uncompensated care pool and to establish regulations setting maximum bad debt levels for each hospital in Massachusetts. It is estimated that effective implementation of these regulations will reduce the present bad debt "pass-along" by $40 million per year. The High Tech Council supports this effort.

Affordable, accessible health care is being seriously compromised by mandate benefits. Overall, it is estimated that mandated benefits increase the cost of insurance by 15 to 18 percent. Today there are 18 mandated benefits in Massachusetts and another 21 await approval, which in Massachusetts can be granted with no cost/benefit analyses whatsoever.

Basic no-frills insurance is exactly what many citizens need and want. Because of mandated benefits, it is what they cannot buy, and that is one reason why some are uninsured. The Council favors a full costing of and a reduction in the number of mandated health benefits as well as a moratorium on any proposed benefit mandates.

The Massachusetts Medicaid program is the fastest growing, largest single line item in the state budget. In fiscal '89, total outlays approached $2 billion; half of which was reimbursed by the federal government. Because of the astronomical cost of long-term health care in Massachusetts, virtually every patient admitted to a nursing home will become a Medicaid recipient. To hold a Medicaid card in Massachusetts is to hold the key to the nation's most expensive and extensive menu of health care benefits.

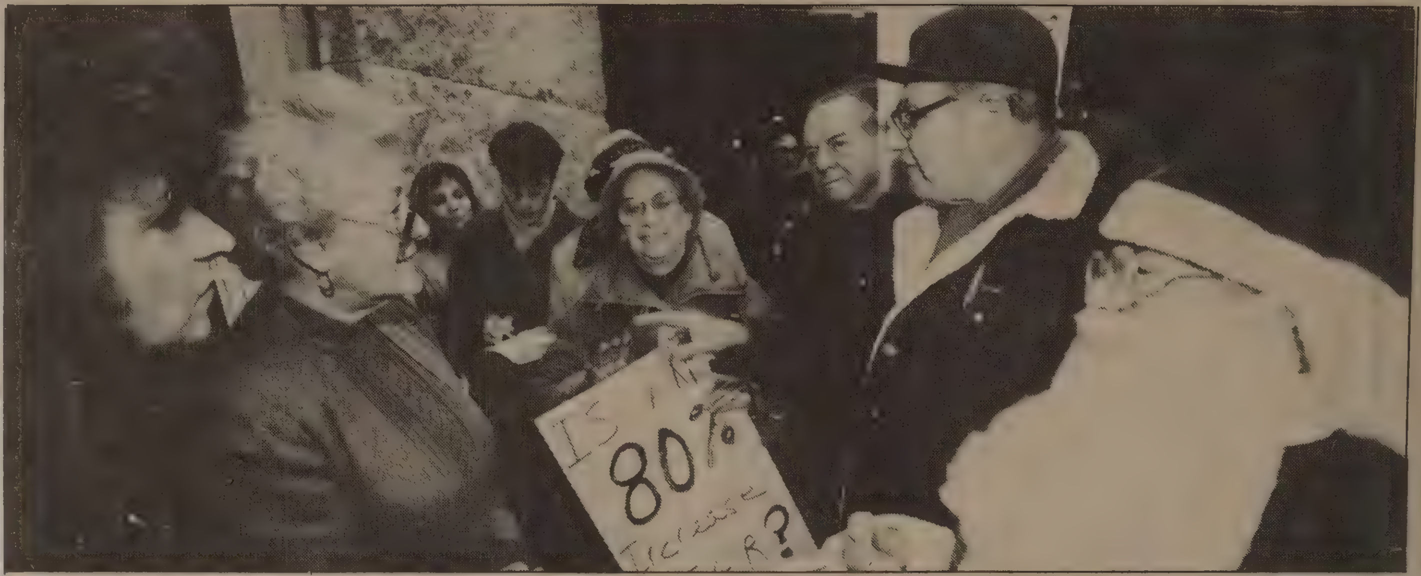
In addition to the federally required benefits, Massachusetts offers a comprehensive package of 32 additional health services, more benefits than many private insurance programs offer. The Medicaid program must return to basics. Attention must be turned to providing preventive care in the community setting, in most cases the most cost-effective settign.

The High Tech Council favors a managed care Medicaid model for Massachusetts as well as a recipient-targeted optional benefit package, limiting the essential services to groups who need them.

The Health Care Committee has also been researching how to better understand and manage rapidly growing costs associated with health insurance particularly for small and mid-sized high tech companies. As a result, we are making progress toward the creation of self-insured employee health insurance trust for council members with fewer than 400 employees. We hope to launch this initiative next year if we are successful in designing a program we feel will offer members a more cost-effective approach to providing health insurance for our employees than is currently available.

(Ben Holmes is vice president and general manager of Hewlett-Packard Inc.)

LETTERS



GLOBE STAFF PHOTO / BARRY CHIN

Senior citizens protesting Blue Cross' proposed Medex rate increase talk with Janet Baran (left), Blue Cross manager of Medex products management, and vice president Carol Nashe (second left).

Seniors unmerry about Medex hike plan

By Frank Mauran
CONTRIBUTING REPORTER

Several members of a senior citizens group and other activists gathered yesterday in the lobby of Blue Cross-Blue Shield downtown to protest the company's proposed 78 percent rate increase in the Medex plan, a popular health insurance program for the elderly.

The protesters, including one dressed as Santa Claus, assembled in the lobby at 100 Summer St. and began singing mock Christmas carols. They tried to go upstairs to present the company president John Larkin Thompson with a bag of coal, but security blocked the entrance to the elevators.

Shortly afterwards, two representatives from the company, Janet Baran, the Medex product manager, and Carol Nashe, vice-president for public affairs, came down to the lobby to meet with the protesters.

Manny Weiner, president of the Massachusetts Senior Action Council and leader of the protest, said thousands of senior citizens would be forced to give up the plan altogether since they could not afford to pay the increase.

Among the protesters was Stella Frimmel, 80, who lives in a senior housing project in the Boston area. She said her project manager noted that the incomes of many of the approximately 200 residents of the project are in the $4,000 to $5,000-a-year range, and that they could not afford such an increase.

The increase would cost subscribers approximately another $500 a year.

Nashe told the protesters the repeal of the federal Medicare Catastrophic Coverage Act has caused Blue Cross to increase its rate-hike request from the previously asked 32 percent to 78 percent. "We need the rates to protect you," she told the protesters, saying the higher rate is needed if Blue Cross is to be able to offer seniors the coverage they need.

About 300,000 senior citizens in Massachusetts purchase Medex.

GLOBE 12/15

Commission's proposal to alter Proposition 2½ hits a nerve

■ HAMILL
Continued from Page 1

It also recommends exempting interest on money borrowed for capital improvements from the cap on increased spending.

Yesterday, Hamill explained that some provisions of Prop. 2½ "are no longer appropriate" and that individual communities should be given more flexibility to raise money at the local level.

Hamill stressed that the sections of the commission report dealing with Prop. 2½ are only a small part of its package of recommended local financing changes. A significant additional suggestion is that cities and towns be guaranteed 26 percent of the state's revenues every year, in order to "get away from the uncertainty built into the system of local aid."

In 1982, as part of a campaign promise, Dukakis pledged that a "regular, predictable" 40 percent of the state's sales, income and corporate taxes would be dedicated for local aid each year. But plummeting tax revenues this year meant an actual decrease in local aid.

The commission's 26 percent "promise" would be more reliable, Hamill said, because it would be based on the actual amount of revenue collected in the complete fiscal year just past, rather than the often fluctuating revenue estimates for the coming year.

New Bedford Mayor John Bullard, a commission member, said the 2.5 percent growth cap is an "arbitrary" figure. Since the rate of inflation has been running above 2.5 percent for the past 10 years, Bullard said, the limit has forced local governments to make cuts every year in order to remain within the cap. "It was OK to make those cuts in the first 10 years," he said. "Now it's not rational."

Bullard said that, although Prop. 2½ includes an override option, where voters can allow their towns to exceed the limit through a local referendum, the political difficulty of mounting an override drive has prevented many local communities from making needed capital improvements in schools and other public buildings.

The commission also recommended allowing municipalities to adopt local excise taxes, limited to meals, parking, admission and hotel taxes.

In her response yesterday, Anderson said her group would also fight this recommendation. "We oppose adding anything to the total tax burden," she said.

Sam Tyler, director of the Boston Municipal Research Bureau, estimated yesterday that the commission's four major recommendations could mean an additional $38 million for Boston in the next fiscal year. Most of the additional revenue – $23.4 million – would come from the guaranteed 26 percent share of state taxes for unrestricted local aid.

Increasing the tax ceiling from 2.5 percent to the inflation rate would bring in an additional $10.9 million, Tyler said, and excluding capital debt from the cap would save $3.5 million, based on the city'a average bond issue of $65 million each year.

In addition, Tyler said, a hypothetical 15 percent parking excise tax, one of the proposed local levies in the plan, could mean another $22 million for the city.

"As a complete package it makes a lot of sense," Tyler said. "It's very thoughtful and should be considered seriously by the Legislature and the governor."

Although Hamill's commission included a strong representation from the businesss community, the more conservative High Technology Council yesterday came out in opposition to the plan.

"This should be viewed as a full attack on all the benefits that Proposition 2½ had provided over the past 10 years," said Chris Anderson, general counsel for the High Technology Council. "It's a direct snub at one of the few vehicles that the voter has been able to rely on to control costs and allow local communities to establish their own spending priorities."

The CLT's Anderson added that the Shawmut Bank and other "establishment" leaders in the state's business community were never behind Prop. 2½. "They don't know what it's all about," she said.

"Mr. Hamill can probably afford higher property taxes," she said. "Most CLT members can't."

Even if the Legislature is "stupid" enough to enact the changes in Proposition 2½, Anderson said, there is an escape clause for the taxpayers: an initiative referendum question that Citizens For Limited Taxation has lined up for the 1990 ballot to roll back any tax or fee increase adopted between now and Election Day.

Globe reporter Steve Marantz contributed to this story.

The Massachusetts tax debate

House leaders quietly tinker with plans for increasing taxes

By M.E. Malone
GLOBE STAFF

Top House leaders huddled for more than two hours yesterday afternoon trying to hammer out a tax package that might be politically palatable for its 160 members, who twice have balked at a major increase in taxes to close an estimated $800 million state deficit.

House Speaker George Keverian (D-Everett) emerged from the closed-door meeting saying he would not comment on the contents of the discussion, though he said "you can presume" that a tax increase had been high on the agenda.

Keverian would not say whether he will try to win approval of a tax package in the House next week. Dukakis administration and House sources said yesterday that at least one influential House faction wants to introduce taxes early next week and have them in place before the members break for Christmas.

"Our timetable is to work as hard as we can," Keverian said, hoping to put the debate to rest next week.

The House is under renewed pressure to close the gap in the state's spending and revenues after Massachusetts' bond rating was reduced to the lowest in the nation Wednesday. In announcing its decision, the Wall Street bond-rating firm of Standard & Poor's cited the lack of political consensus in state government on resolving the deficit.

The rating drop causes more embarrassment than cash problems in the short term, Beacon Hill leaders said. Yesterday, the bond rating drop was one of the leading stories on national morning news programs.

To try to reverse the lack of confidence, House and administration sources both said, the House leadership is considering a $400 million to $500 million tax increase, which would include adding 6 cents to the current 11-cent-per-gallon gas tax and bumping the sales tax to 6 percent while extending it to some products and services now exempt.

Keverian would not confirm the contents of the tax package under discussion, saying he wanted to share it with his membership first and get their reactions.

House leaders have been holding off on introducing a tax package until the Legislature is finished with an approximately $350 million proposal involving cuts in the state budget and increases in nontax revenues.

Keverian has scheduled a bipartisan meeting for today to bring together revenue estimate specialists and the House's Republican leader, who has suggested that the projected deficit has been intentionally inflated to support a tax increase.

Also today, House and Senate delegations are to begin hammering out a compromise between the chambers' versions of the budget savings and nontax revenue plan.

The conference committee is expected to work over the weekend to try to reconcile the two plans, which, while close in dollar value, contain major differences.

Democrats should match their words with layoffs, GOP lawmaker says

By Bruce Mohl
GLOBE STAFF

A leading House Republican yesterday accused his Democratic colleagues of being hypocritical for criticizing Gov. Dukakis' failure to cut personnel while doing little to trim their own staffs.

"The Legislature is becoming somewhat bloated in its own bureaucracy," said Rep. Peter Forman (R-Plymouth). "The need to start at home is even greater this year."

The Boston Globe reported yesterday that figures compiled by the state comptroller show that the Legislature cut only 12 positions between July 1, 1988, and Nov. 27 of this year. The personnel cuts represented just 1.3 percent of the Legislature's staff.

The Globe also reported that the state's constitutional officers have had problems cutting their staffs, with several of them yet to lay off a single employee.

Many House leaders took Dukakis to task last week for laying off just 371 workers this fiscal year. Since July 1988, according to administration figures, the executive branch has eliminated a total of 3,046 positions, or 4.4 percent of its work force, primarily through voluntary departures. The governor, who has vowed to cut a total of 5,000 positions by Jan. 31, sent out more than 700 pink slips last week.

Mindy Lubber, the governor's spokeswoman, declined comment on the Legislature's numbers. But several administration officials said privately that it was interesting to see some of the harshest critics were doing no better in cutting personnel.

Al Frezza, chief of staff to House Speaker George Keverian, said he believed more than 12 legislative positions had been eliminated, but he said he had no figures on the size of the Legislature's payroll.

Frezza said many legislative employees are seasonal, coming on the payroll at one point in the year and going off at another. "It's different from the executive, where people are put on the payroll and stay there," he said. He also said no new jobs have been created and no vacancies filled in the House for months.

Rep. John McNeil (D-Malden), House chairman of the Legislature's Health Care Committee, has been calling for several weeks for Dukakis to lay off some high-paid officials.

McNeil said his 15-member staff is down one employee. He said lawmakers dealing with complex issues need a competent staff, adding that most legislative staffers have small salaries compared with those of administration officials.

"We're certainly going to do our share, but I cannot agree with stripping our committees," he said.

But Forman said lawmakers have no right to criticize the governor unless they take action in their own backyard. "I can't blame the administration for being angry. They certainly deserve a fair amount of criticism, but for it to come from the Democratic Party in the Legislature is hypocritical," the Republican said.

Bos Globe 12/15

Panel's report on Prop. 2½ hits a nerve

By Renee Loth
GLOBE STAFF

A panel of business and local government leaders appointed by Gov. Dukakis formally unveiled its proposal taking aim at Proposition 2½ yesterday, but the state's champion of the popular tax limitation law predicted the recommendations would go the way of past attempts to tinker with 2½ – swift and certain defeat.

"I don't think the Legislature is that stupid," said Barbara Anderson, director of Citizens for Limited Taxation, responding to the changes recommended by the Governor's Task Force on Financing Local Government.

■ **Other stories on the fiscal debate, Pages 48, 50.**

As reported yesterday, the 15-member special commission, with Shawmut Bank president John P. Hamill as its chairman, is recommending that property taxes be allowed to rise each year at the rate of inflation, instead of the 2.5 percent rate established under Proposition 2½.

HAMILL, Page 19

AP PHOTO

Gov. Dukakis and Barbara Anderson, head of Citizens for Limited Taxation, listen to a news conference at the State House.

Bos GLOBE 12/15

Doctors faulted on depression

By Alison Bass
GLOBE STAFF

Primary-care doctors fail to detect serious depression in their patients about half the time, a new study has found. The rate was found to be even worse among physicians who work for prepaid health plans.

The researchers who conducted the study said it reveals a major deficiency in the nation's primary-care system and shows a need for first-line physicians to improve their awareness of disabling emotional problems.

The study also suggests that doctors in prepaid health plans may be under more pressure to cut costs and provide less thorough care for their patients than those who practice under fee-for-service arrangements.

"Where there is a financial incentive to do more, doctors are 20 percent more likely to detect depression," said John E. Ware Jr., senior scientist at the New England Medical Center and one of the study's principal investigators. "But in a prepaid plan, where the more you do the more it costs the plan, there may be less incentive to find a problem."

The study, which appears in today's issue of the Journal of the American Medical Association, involved 650 severely depressed patients and more than 500 doctors in Boston, Chicago and Los Angeles.

DEPRESSION, Page 9

---

ed on finding depression

Ware said this deficiency takes

oll among individuals
bout 15 percent of all
fer severe depression
in their lives, and as
ercent of this group

ies suggest that de-
disabling as other
rs such as heart dis-
nd arthritis.

ous study, we found
r of days in bed for
nts is second only to
eart disease," Ware
amount of pain de-
ts report is second
."

udden, medical direc-
arvard Community
he largest HMO in
said the study does
w a direct connection
al incentives and the
e for depressed pa-
uld be other reasons,
ctors in prepaid plans
to detect depression
n fee-for-service ar-

"Harvard Community Health Plan accepts a prepaid amount to provide care, but the physicians are paid on salary," Ludden said. "So the prepayment doesn't affect how they care for the patient at all."

However, Dr. Kenneth Wells, one of the main authors of the study, said the HMO incentive to reduce costs affects physicians' care, regardless of how they are paid.

Ludden also noted that the study does not show that patients whose depression is detected are better off. Ware and the other researchers, who conducted the study with the help of the Rand Corp., a think tank in California, said they are now following patients in their study to determine whether they are doing better as a result of diagnosis and treatment.

"In theory, you would think that if you detected someone in distress and treated them, you would get a better outcome and you would also save money in the long run," Ware said. "But that's still a matter of some debate."

Mental health specialists say that most seriously depressed patients can be helped with therapy or antidepressant drugs or both. And a recent large-scale study by the National Institute of Mental Health indicated that medication and interpersonal therapy such as psychoanalysis are more effective in treating severely depressed patients than placebos or regular attention from a health professional.

Primary-care doctors could detect depression better simply by asking their patients specific questions such as whether they feel sad, have trouble sleeping or seem uninterested in things going on around them, the researchers say.

They used a simple eight-item list of questions like these to pinpoint depressed patients and followed that up with a more intensive test to diagnose severe depression.

"A survey like this might be one of the aids that doctors can use to identify emotional problems," said Wells, an associate professor of psychiatry at the University of California, Los Angeles. "Keep in mind that the average medical visit is 7 minutes long."

Blue Cross said to hike executives' pay

Bev Times 12/15

BOSTON (AP) – While Blue Cross/Blue Shield of Massachusetts tried to combat financial problems with layoffs and rate hikes, executives at the quasi-public health insurance agency were getting double-digit salary increases, according to published reports.

In January of this year, employee salaries at the non-profit health insurance company were raised by 16 percent, six months before the company laid off 400 people.

John L. Thompson, Blue Cross president, earned $351,514 last year, according to records with the attorney general's Public Charities Unit. His salary increased 35 percent from 1985 to 1988, an average yearly increase of 11 percent, The Enterprise of Brockton reported Thursday.

Thomas L. Huston, the executive vice president, took in $233,129 last year, an increase of 48 percent over his salary in 1985. In 1986, nine company officials made over $100,000.

Clark Walter, a company spokesman, said he was confident the company could justify its administrative expenses. Blue Cross/Blue Shield contends it pays 12.4 percent less than do private insurance companies, the newspaper reported.

Citing Congress' repeal of federal coverage for catastrophic health care, Blue Cross/ Blue Shield of Massachusetts announced this week it sought a 78 percent increase in Medex rates. The rates are regulated by the state.

Susan Leahy, a spokeswoman for the company, said they raised the rate hike request from 35 percent to 78 percent because the move by Congress had shifted $100 million in costs to the company.

State lawmakers, however, expressed chagrin at the tandem hikes in salaries and rates.

"It seems to me that for an agency that appears to be top-heavy with prosperous executives to be seeking a 78 percent rate hike on the backs of the poor elderly is outrageous," said Rep. Frank Hynes, D-Marshfield, who is a member of the Legislature's Public Health Committee, The Enterprise reported.

While critics agreed that the salaries were not what threatened the agency's financial solvency, most noted that the high wages were an important symbol in a tight-budget era.

"The high salaries are more a symbolic statement about the commitment of Blue Cross to provide affordable insurance for beneficiaries," said Deborah Thompson, an attorney with the Massachusetts Law Reform Institute.

"It raises a real question about judgment when a company hikes salaries when it is facing insolvency," she said.

In October, Attorney General James Shannon criticized the salary hikes in a brief he filed with the Department of Banking and Insurance.

"The massive wage increase can only be viewed as an act of corporate arrogance," said Shannon, who said it was "incumbent on the Blue Cross board to consider some further personal savings initiatives."

Repeal of 'catastrophic law' made problem worse

Boston Globe
12/18

50 Plus

THOMAS WATTERSON

In the midst of a protest by senior citizens last week in the lobby of 100 Summer St., headquarters of Blue Cross-Blue Shield of Massachusetts, the company's public relations staff brought a tray of cookies and an urn of coffee down as an apparent peace offering.

But the protesters wouldn't touch the food, or the hot coffee, despite the frigid temperatures outside. They had come to complain about Blue Cross's 78 percent rate hike request for Medex, a form of health insurance for the elderly intended to cover what Medicare misses.

"We'll sit down and have coffee with them when they treat us fairly," said one protestor, a member of the Massachusetts Senior Action Council.

If approved in full, a 78 percent increase would boost the premium for the most popular Medex coverage from $627 a year to $1,117. For comparison, the average retiree's Social Security check – the only source of income for many senior citizens – is $566 a month. This increase would come to about $490 a year, or nearly all of one month's Social Security check. The increase would force many of the 300,000 Medex subscribers to drop the coverage, Council president Manny Weiner said.

So the bad feelings on this issue are understandable, particularly since the request was filed just three weeks before Jan. 1, the date Blue Cross wants it to take effect. That is short notice, but the anger of the protesters and the frustration of Blue Cross officials is probably better directed a few hundred miles south of Summer Street – towards Washington.

Last month's congressional repeal of the Medicare Catastrophic Coverage Act of 1988 forced insurance companies and insurance regulators to come up with quick substitutes for coverage no longer provided by that law, as of the end of the year.

PLUS, Page 32

ican
ese
lb.
ipating White Hen Pantry
CHRISTMAS!
t, Run Out To. . .

l of ‘catastrophic law’ made problem worse

d from Page 30

Congress either didn't know or sn't adequately mindful of the direct effect repeal of catastrophic was going to have on Medigap premiums," such as those for Medex, says Nancy Turnbull, the state's deputy insurance commissioner for health policy. “There was no discussion of that issue, that I saw, until the House and Senate had already voted. By then it was a done deal.”

Last week's request for higher Medex rates came while Blue Cross was waiting for the insurance commissioner to rule on its earlier filing for a 32 percent increase. That request, made last summer, was based on an expectation that the catastrophic-care law would remain in force, Blue Cross officials said. Thus repeal makes a 78 percent rate hike necessary, they claimed.

The evidence pertaining to the earlier request is already on file, Turnbull said, and this latest proposal is simply an amendment. And, “since this is very abbreviated in terms of the number of issues it has to consider, it won't take very long,” to rule on the request and decide how large a rate increase, if any, there should be. Still, she thinks it unlikely that a decision can be made by Jan. 1. Public hearings on the latest request will begin in the insurance commissioner's offices this Wednesday.

A longer cooling-off period could come in the form of a one-year freeze on Medex rates if a bill sponsored by state Sen. John P. Houston (D-Worcester) passes. The bill also authorizes the insurance commissioner to develop a plan to deal with the overall problem of Medigap insurance.

But since Blue Cross expects to lose $40 million on Medex this year, that may be too long to wait. “They're really the only game in town for this kind of coverage, and Blue Cross is getting killed,” says a Boston-area insurance agent who is generally not sympathetic to the company and tries to steer customers away from Blue Cross whenever he can.

The agent noted that Blue Cross has in recent years become increasingly less able to bear the burden of money-losing products like Medex, despite receiving some business and tax advantages for writing it. Several years ago, he says, the company had “90 to 95 percent of the medical insurance in Massachusetts.” Since then, many of the state's larger corporations have begun buying their medical insurance from other companies. Meanwhile, he says, Blue Cross remains the “insurer of last resort” for people such as the elderly who can't get coverage anywhere else.

Also, notes an official in the pension and benefits department of a Boston financial company, several nonregulated health maintenance organizations tried to offer Medigap policies a few years ago. They quickly discovered how expensive the coverage was and either pulled out of the business or raised their premiums to prohibitive levels, again leaving Blue Cross as the only viable alternative.

For these and other reasons, plus the repeal of the Catastrophic Coverage Act, Blue Cross will probably require some increase in Medex rates. Repeal added $100 million to Medex costs, Blue Cross officials assert. But a sudden hike in the insurance rate to the equivalent of almost one month's Social Security check puts too much of the burden on the elderly. Those who urged repeal of the Catastrophic Care Act argued against paying for it with a tax on people over 65, and said it was unfair to tax only one population group for a problem society should share. That argument seems to apply to the 78 percent rate hike request as well.

Part of the answer may lie in the Blue Cross proposal to add Medex 4, a new insurance line that includes higher deductibles for hospital, doctor, and drug benefits. It would cost $67.87 a month, or about $814 a year. Perhaps some features of this could be combined with those of the more popular Medex 3. Or, both might be combined with some form of state subsidy.

In the state's current financial condition, however, the Legislature is unlikely to ride in with a large Medex subsidy plan, so most of the burden will fall back on Blue Cross, its subscribers, and the insurance commissioner to find an answer. Meanwhile, perhaps they and their counterparts in other states can also get word to Congress that repeal of catastrophic care didn't bring the situation back to where it was before the law; it made it worse.

12/18 Salem News

Hospital will appeal ConCom's Laurel Ridge rejection

BEVERLY — The proposed Laurel Ridge congregate elder housing project has suffered a major setback, but as far as Beverly Hospital officials are concerned, it is far from dead.

Conservation Commission Chairman Raymond Bouchard said Sunday the commission will send a formal letter of denial to hospital officials within the next few days, and he said that should end the commission's involvement in the hospital's proposal to construct 190 units of congregate housing for the elderly off Hale Street near Endicott College.

Commission members voted unanimously last week to deny the developer's request for a so-called order of conditions which would allow the development to be built in the vicinity of wetlands.

But this morning, John L. Good III, vice president for community relations and development at the hospital, said the denial will be appealed to the state Department of Environmental Protection. Good said this was the hospital's intention all along if the local Conservation Commission ruled against the project.

Bouchard noted that the proposal has been before the ConCom for more than two years, but that last week's action should end the environmental group's involvement with the plan.

"I am satisfied that we have done the right thing in this matter," Bouchard said. "We have been concerned with the water quality issue from the beginning, and that was the main reason for our action last week. We just don't feel that they dealt satisfactorily with the water runoff question and that is why we voted not to approve it."

Officials at Beverly Hospial were before the commission with two previous plans for the development of what would have been the largest housing project in the city, but withdrew them when members of the ConCom raised qustions about them. Those questions also expressed concern about surface water and its runoff, according to Bouchard.

Bouchard said hospital officials will be free to follow the appeal process as soon as the ComCom sends its written notice of the denial.

The chairman said that the developers also have to right to take their case to a master's hearing conducted by the DEP if they are not satisfied with the department's handling of its appeal.

The propoal to build the congregate housing is not only the largest project to come before city boards, but has also been one of the most complicated and controversial.

It has encountered strong opposition from several residents of the area. The site is close to Endicott College.

The neighbors have filed an appeal in Superior Court challenging the Planning Board's approval the project, and that matter is still pending.

The ConCom's action means that there will probably be another lengthy litigation process to further complicate the matter. There has been no word on when the court is expected to act on the appeal to the Planning Board's approval.

The concept of congregate housing allows people to own their dwelling units, but they share certain common areas such as dining and recreation facilities.

Bev
Times
12/15/89

Commission says no to Laurel Ridge

By KELLEY BOUCHARD
Times staff

BEVERLY – With too many of its concerns unanswered, the Conservation Commission last night rejected plans for the $35 million Laurel Ridge senior citizen housing development.

The commission's unanimous decision drew a rousing cheer from neighbors of the proposed 190-unit Hale Street project and a promise from a representative of the developer.

"We'll take it to the DEP," said John Good, vice president of Beverly Hospital, which is a partner in the project along with MedQuest Corp. and Brim and Associates. "We're not going to let this hold us up."

Good's stated intention to appeal the commission's decision to the state Department of Environmental Protection mirrored the neighbors' appeal of the Planning Board's approval of the congregate elderly housing project back in February 1988.

The proposed congregate project would include apartments, common meal areas, shops and other services as well as an arrangement to provide residents with health insurance and medical care. The apartments were priced at between $140,000 and $300,000 and carried a monthly maintenance fee of approximately $1,000.

Days after the Planning Board approved the 39-acre project, a group of neighbors appealed the decision citing a disregard for the neighbors around the property as well as the impact on natural resources such as ponds and wildlife.

The developers have since submitted a plan for a 32-lot residential subdivision on the same property. Those plans are still pending.

Last night, lacking sufficient information about proposed blasting, drainage and pollution control, the commission voted against issuing the requested order of conditions. Without the commission's order, the developer is prohibited from doing required work within 100 feet of state-protected wetlands.

> “*I think we should reject this project for a multitude of reasons related to the regulations of the Wetlands Act...I don't think the wetlands on the property will end up staying wetlands.*”
>
> **George Batchelder**
> **Conservation Commission member**

"I think we should reject this project for a multitude of reasons related to the regulations of the Wetlands Act," said commission member George Batchelder. "I don't think the wetlands on the property will end up staying wetlands."

Batchelder pushed last night to close the long-running hearing after the developer's engineers and consultants showed no indication they intended to provide more information.

It was the developer's third application to the commission since the congregate housing project was approved by the Planning Board nearly two years ago. Despite requests for more detailed information at recent hearings on the latest submission, the developer failed to satisfy the panel.

Batchelder said the developer intends to remove at least 54,000 cubic yards of fill from the property by various means – including

Laurel, page A10

Hospital C-section study released

Bev Times 12/18

Caesarian births

Number of Caesarian section procedures compared to total births at North Shore Hospitals.

HOSPITAL	Total Births	C-Sections	C-Section Rate
Addison Gilbert	270	87	32.2
Anna Jaques,	844	162	19.2
Beverly Hospital	1,361	330	24.2
Hale Hospital	701	143	20.4
Holy Family	1,223	372	30.4
Hunt Memorial	767	166	21.6

Source: State Department of Public Health study

By THOMAS DUFFY
Ottaway News Service

BOSTON – A new study reports that a Gloucester hospital was among those leading the state in the number of Caesarean section births last year.

The procedure has been called into question recently by medical reform groups and some insurance companies as expensive and often unnecessary, performed more at the convenience of the physician to protect against malpractice suits than for the health of the mother.

Hospital, page A8

Hospital C-section studied

Continued from page 1

Addison Gilbert Hospital ranked fifth in the state in the percentage of Caesarean sections it performed in 1988, according to a study released this week by the state Department of Public Health.

Beverly Hospital performed Caesarean sections 24.2 percent of the time, a rate equal to the statewide average. Anna Jaques Hospital in Newburyport performed Caesarean sections on 19.2 percent of women who delivered babies there last year.

Caesarean sections were performed in 32.5 percent of all births at Addison, placing the hospital among only 11 in the state that performed Caesarean sections more than 30 percent of the time.

This year, however, the rate dropped to about 25 percent of all births because of concerns that the rate was too high, a hospital spokesman said.

"We have implemented a number of things to bring that down," said Lynn P. Malloy, a spokesman for the hospital. "As a result the rate has dropped 22 percent."

Malloy said the hospital had driven the percentage down by trying to increase the number of vaginal births for women who have previously had Caesarean sections.

Holy Family Hospital and Medical Center in Methuen was also near the top of the list, ranking 11th in 1988 while performing Caesarean sections 30.4 percent of the time.

Holy Family President William Lane lashed out at the report, calling the comparisons unfair because they do not take into account the types of patients a hospital serves.

"Comparisons are sometimes are odious," Lane said. "The state would also tell you that this area has a very low socioeconomic status. That's probably the thing that drives our rate."

State officials agreed that the Caesarean rate can vary widely.

"It varies from hospital to hospital depending on case mix, local practice and patient preference," said Daniel Friedman, associate commissioner for public health. "But the C-section rate is on the rise in the state and nationally."

Freedman acknowledged that the study is not conclusive. "It's an attempt to identify areas which may require further investigation by local public health authorities, local providers or the state."

The hospitals ranked ahead of Addison Gilbert in the percentage of Caesarean sections in 1988 were Martha's Vineyard with 37.5 percent, St. Joseph's of Lowell with 36.6 percent, New England Memorial of Stoneham with 33.7 percent and Melrose-Wakefield Hospital with 33 percent.

In 1986 only two facilities statewide reported performing Caesarean sections more than 30 percent of the time. The following year, there were seven hospitals on that list and this year the list grew to 11.

Nevertheless, the rate of Caesarean sections statewide dropped slightly from 25 percent to 24.2 percent.

The information was contained in a report on birth statistics that found the infant mortality rate increased to 7.9 deaths per thousand births in 1988.

While that rate is still among the lowest nationwide, according to the report, the rate for black infants was 17.2 deaths per thousand births, more than one and a half times the rate for white infants.

"As we enter the 1990s, it is unacceptable for such a large gap to remain between black and white infant mortality rates," said Public Health Commissioner David H. Mulligan.

The cities with the highest infant mortality rates were Pittsfield, Boston and Springfield. Cities with the highest teenage birth rates were Lawrence, Holyoke and Springfield.

For the first time, the report found, the number of births to Hispanic mothers in the state exceeded the number of births to black mothers.

Meanwhile, the teenage birth rate has climbed 21.7 percent since 1980, up from 28.1 births per thousand teenagers to 34.1 births per thousand.

Peabody, the state's 24th largest city, ranked 22nd in the percentage of low birth weight babies with 5.4 per thousand, according to the report.

Sounding the alarm on AIDS

Deadly disease on the increase in local communities

SALEM — The growing AIDS epidemic goes hand-in-hand with substance abuse and must be fought through education, says Victor A. Capoccia, president of the Salem-based Center for Addictive Behaviors.

The center, which administers drug and alcohol counseling programs across the North Shore, must take an active role in the community and help provide information about the virus that attacks the body's immune system and leaves victims unable to fight off infection.

The number of AIDS cases is increasing locally, Capoccia noted in a recent interview, adding he believes the center should be involved in explaining the deadly disease to the community.

Capoccia, who has headed the center since July, came from Boston City Hospital, where the staff has dealt with AIDS and the community for some time.

Capoccia said that often peoples' morals and sets of values get in the way of understanding how serious and infectious the disease is. He wants to prevent the spread of the disease by educating small groups of businessmen, clergy, media, and teachers. The groups, in turn, can then discuss the issues with others.

Salem and other North Shore communities have a number of residents with substance abuse problems. Substance abusers, Capoccia said, are at high risk for contracting AIDS.

Statistics from the Massachusetts Center for Disease Control clearly demonstrate the problem. In Beverly, 362 residents were admitted into a substance abuse treatment program during the first three months of 1989. Twenty-four of those admissions were needle users. Eight of the needle users were exposed to the AIDS virus.

In Peabody, 391 residents were admitted into treatment programs during the same period. Twelve of the 24 needle users admitted into treatment programs tested positive for the virus.

In Salem, 498 residents went into treatment programs. Forty-five were needle users and eight tested positive for AIDS.

"The fact of the matter is anyone who is chemically-dependent is susceptible. I'm not pulling a fire alarm. What I want is a fire drill . . . The point is we need to touch a lot of peoples' lives with information. People must also take the responsibility on themselves," Capoccia said.

"We are dealing with fear and moral judgement from a major portion of the community," he continued. "We need to address the issue and not punish the issue."

Originally called the North Shore Council on Alcoholism, Capoccia said the agency's name was changed three years ago to the Center for Addictive Behaviors (CAB) to make it clear that the non-profit organization had expanded its services to include non-alcohol related addictions.

CAB, which is affiliated with Northeast Health Systems Inc., a partner in community health with Beverly Hospital, provides counseling for a variety of abuse problems, including cocaine and prescription drugs. Individual and group counseling sessions are available for all ages. The center works closely with local courts. In addition, it has a detoxification center on the grounds of Danvers State Hospital, and resident service and training centers in Lynn.

'We are dealing with fear and moral judgement from a major portion of the community. We need to address the issue and not punish the issue.'

Victor A. Capoccia,
Salem counselor

Salem News
12/18/89

Hospital critic praises move to seek merger

Salem News 12/18

A News staff report

DANVERS — One of the leading critics of Hunt Hospital's financial situation praised last week's decision by the town to consider relationships with other hospitals.

Finance Committee Ralph L. Hamel said the move could help stabilize the hospital's finances and help Hunt retain staff.

"It's a step in the right direction and about time," Hamel said. "What it does is put something on the table. It lets employees know that there is some hope instead of just closing the place."

Selectman John L. George said Sunday: "I'm glad he's supporting it." Three selectmen interviewed supported formation of the committee.

Town Manager Wayne P. Marquis announced last week that the hospital has been involved in informal discussions with several area hospitals since early this year about developing a working relationship.

The intent was to determine whether health services could be offered better on a joint basis with another hospital.

The plans come on the heels of a bleak financial picture for Hunt. Last year, the facility lost $1.65 million. Another loss is expected when this fiscal year closes June 30, 1990.

Marquis said that roughly seven hospitals in Eastern Massachusetts, including several in Boston, are candidates for a relationship with Hunt Hospital.

He did not name any hospitals nor specify what type of arrangement was possible.

Hamel said that Hunt could offer one type of medical procedure while shipping its patients to another under an agreement that would perform a different procedure.

After determining that possibilities for relationships existed, the town decided to retain a Boston legal firm, Gaston and Snow, and financial consultant, Boston Bay Consulting, to help in further planning.

Hamel said he hoped selectmen and the health community also would be involved.

In fact, selectmen already have held talks in executive session.

Selectmen's Chairman David P. McKenna said the board was not going to renew proposals in their early stages.

"We have got professionals to do all of that," he said. "We just don't have the time or expertise to go into all the details.

"The main thing is that we want to maintain a quality health care facility," McKenna said.

Proposals are expected back from the committee in late February or early March. Any plan would need approval from the Board of Selectmen.

Hamel, who had been rebuffed in forming a study committee about the hospital's future at the Annual Town Meeting in May, said the plan was a "public admission that the hospital has been in trouble for years, and the hospital is doing something actively to keep the hospital in operation."

Hamel also saw the plan as helping to retain staff. The hospital has lost several doctors to Beverly Hospital over the past two years.

"Before, I think the hospital was destined for closure," Hamel said. He said staffers would remain because the facility will have a future.

"Now, it's out in the open, and there is more of a chance in the future than if the town had left it alone," Hamel said.

George said he wanted as a "bottom line" for Danvers to retain ownership of Hunt property. He said the use of the hospital should be considered by the study committee.

Selectman Douglas A. Bean said he wanted Hunt to remain a full-service hospital, particularly maintaining a maternity ward.

Edit

SOS to save Hunt cause for optimism

This week's revelation by Town Manager Wayne Marquis that an SOS has gone out to eight health-care facilities, seeking mergers, affiliations or other solutions in an effort to stabilize the financial situation at Hunt Hospital should have come as no surprise to anyone in touch with reality.

The town's community hospital has been hurting for a long time and the fact that Town Hall has finally admitted it publicly is a significant step in the right direction. Now the pointless Pollyanna posturing can be laid to rest and a unified strategy can be developed to save what's salvagable on Lindall Hill.

For at least three years, knowledgeable observers of the burgeoning national health care crisis have realized that Hunt Hospital could not survive as a full service municipal health-care facility. Municipal hospitals in Marblehead and Ipswich closed their doors, and others have had to merge or affiliate to keep their doors open.

Sometimes, mergers and affiliations only buy time. It's being loudly rumored that the working agreement between J.B. Thomas Hopital in Peabody and Salem Hospital is about to unravel. J.B. Thomas is likely to join the ranks of Mary Alley and Cable, North Shore municipal hospitals that no longer exist.

Hunt Hospital is not in trouble because it's badly run. The decision three years ago of Town Manager Wayne Marquis and the Hunt trustees to engage the services of Hospital Corporation of America, one of the country's top health care management firms, was timely and entirely appropriate. That move undoubtedly prolonged today's inevitable scramble to survive.

But HCA can't perform miracles. Massachusetts is a state that heavily regulates its health care industry. The commonwealth, itself awash in a sea of red ink, has failed to honor Medicaid obligations to both public and private hospitals.

Simultaneously, the federal government has implemented Medicare reimbursement procedures that make it more difficult by the month for hospitals to realistically balance their books.

Private hospitals, which are also hurting, are able to be more financially creative and can react more quickly to complicated federal and state health care cost containment revisions. Given similar financial mazes to traverse, private hospitals are better able than public institutions to adapt to new environments and revise strategies on the run.

The mergers or affiliations that Hunt Hospital belatedly seeks with other hospitals and health care facilities should have taken place three to five years ago. They weren't because the hospital administration then was too shortsighted and parochial to appreciate the value and necessity of joining forces to assure survival in the next decade.

The merger/affiliation strategy made public this week by Town Hall has been quietly in progress for several months. Officials from other hospitals have made on-site visits to Hunt and several informational meetings have already been held.

No one wants to see Hunt Hospital shut its doors, although some have come to think that expensive eventuality is inevitable. We choose to believe there are acceptable alternatives that would allow our municipal hospital to retain a viable presence in the community through a sharing or regionalization of costs and services.

The exploration of these and other alternatives by the town on the hospital's behalf should not be viewed with pessimism. Rather, the belated realization that Hunt cannot continue to go it alone and Town Hall's willingness to do something positive about it could well be the salvation of our municipal hospital, which, in itself, should be cause for cautious optimism.

Hunt officials explore merger

By PAM DERRINGER
Times staff

DANVERS – With shrinking town reserves to absorb the continuing deficits at Hunt Memorial Hospital, town officials have launched a two-month effort to explore merger or affiliation options with other hospitals.

A new committee has been formed to draft guidelines for proposals from other hospitals, evaluate the responses and issue a recommendation by late February or early March.

Named to the committee will be town officials and outside legal, financial and health care experts who can pool their expertise and address different issues arising from a closer relationship with another hospital, said Town Manager Wayne Marquis.

The merger initiative follows informal discussions with several local hospitals regarding the possibility of joint ventures or mergers that began earlier this year, he said.

And it follows several years of hospital cash deficits (which reduce town reserves), a 50 percent drop in maternity business following the departure of its two leading obstetricians in August and a worsening regional financial climate for hospitals.

"I remain confident that by aggressively moving forward, we will be able to assure and enhance the long-term future of the hospital in a manner which will not adversely affect our taxpayers," Marquis said.

But Marquis emphasized the need to continue to evaluate alternatives other than a merger or affiliation, presumably referring to previous suggestions to convert the building into a nursing home or other medical facility.

Hunt Administrator David Stansberry said the previous discussions have been with eight local hospitals, which he declined to identify, adding that he hopes to receive proposals from 10 to 13 institutions.

"I am very pleased to see the decisive way in which this is moving ahead," he said. "There are lots of options."

Hunt's alternatives could include specialization in one area of medicine, such as cancer treatment, Stansberry said.

Or Hunt could set aside 10 or more "swing" beds that could be used for hospital patients or those requiring skilled nursing care, he said. Such practices currently are not allowed for hospitals as large as Hunt, he said.

A persistent problem cited by departing obstetricians John P. Keenan and Barry W. Burrows has been Hunt's inability to obtain affiliations with more health maintenance organizations, which the doctors said would restrict the future growth of their practice.

But Hunt has been pursuing new HMO affiliations for at least a year and a half without success. And quantity referrals from HMOs are vital in maintaining occupancy rates in the face of shorter hospital stays, especially with federal Medicare and state Medicaid programs paying a smaller share of actual hospital costs for elderly and indigent patients.

This fall, Hunt laid off 20 employees and left 31 vacancies unfilled because of a reduction in patients and lower Medicaid and Medicare payments. And hospital trustees were recently told to expect more budget-cutting measures soon because the year-end accrual or bookkeeping balance climbed in the three months to twice the deficit budgeted for the entire year.

Massachusetts hospitals are harmed from excessive regulations that limit their ability to respond to industry changes and boost their operating costs, Stansberry said.

Bev Times
12/15

Senate, House to seek agreement on cuts

Boston Globe 12/18

By Scot Lehigh
CONTRIBUTING REPORTER

With angry public employees crying foul in the background, House and Senate negotiators will meet as early as today to begin reconciling budget-cutting packages. The package the Senate passed last week would save or cut about $358 million, its House counterpart about $368 million.

As conferees try to hammer out a final agreement, unions representing public employees will be fighting to scuttle three sections of the Senate's package. Those sections would shift more of the cost of health insurance plans onto public employees at both the state and local levels.

About a dozen union officials met with House Speaker George Keverian last Thursday to ask the House leadership to stand firm in rejecting those Senate-proposed savings. Although they got no firm commitment, a source close to the House leadership yesterday described Keverian as "generally sympathetic with their position."

The Massachusetts Teachers Association hopes to spread that sympathy throughout the Legislature with a week of intense lobbying. Ed Sullivan, executive director of the teachers association, said yesterday that his group had already completed a mailing of 20,000 letters to its membership and was operating phone banks across the state to alert teachers to the issue.

Sullivan added that he had met with officials from four other public employee unions Friday night and said that "they are all working their own networks."

Although he stopped short of saying the teachers association would make the health insurance issue a litmus test at the polls, Sullivan left little doubt about how important the union considers it.

"It is probably the most serious economic issue that our members have confronted," he said, adding that "95 percent of our members vote in primaries, and they take this very seriously."

The Senate's package would make three important changes in existing health insurance financing arrangements. First, it would require that state employees enrolled in Health Maintenance Organizations, HMOs, pay 10 percent of the cost of those plans. Heretofore, the state has required a 10 percent contribution from employees involved in traditional, or indemnity, plans but has paid the entire cost of HMOs as an inducement to employees to shift to the cheaper HMOs. If enacted, that change could cost state employees who are HMO members from $10 to $13 a month for an individual plan and up to $33 a month for a family HMO membership.

Another change would shift costs at the local level. Cities and towns are now required to contribute the same dollar amount toward HMO memberships that they do toward indemnity plans. Since HMOs are generally cheaper, the result is that an employee who chooses an HMO has a greater percentage of his health insurance costs paid by his employer.

The Senate package would allow communities to pay

BUDGET, Page 47

said yesterday that the Senate provision actually would give an employee the choice of choosing the municipal plan or his spouse's plan.

Fallon said that the 90/10 contribution requirement is expected to save about $5 million this year for the state, and as much as $20 million annually in future years. Last week the Massachusetts Municipal Association estimated that the proposed changes at the local level could save cities and towns about $50 million a year.

Requiring contributions from public employees would bring the change that would restore some funding for both bureaus.

In another development, the Globe has learned that Paul Gray, president of the Massachusetts Institute of Technology, has been approached to serve as chairman of a task force Gov. Dukakis is about to appoint to search for solutions to the state's financial problems. The administration also hopes to get Fidelity Investments executive Peter Lynch, Cardinal Bernard Law, and BayBanks president William Crozier to serve on the panel, one source said.

Danvers Herald

Vol. 25, No. 10 3 sections, 68 Pages Thursday, December 14, 1989 A North Shore Weeklies publication 50¢

Town sounds an SOS for Hunt Hospital

Feasibility of regionalizing or merging will be studied

By Betsy Johnson

After years of denial, officials at Town Hall have finally admitted by their actions that Hunt Hospital can no longer go it alone.

Town Manager Wayne P. Marquis has put together a team of specialists to examine the possibility of merging some as yet unidentified services at Hunt with those of other hospitals, in and out of the area.

Having a cooperative relationship with another hospital or a consortium of hospitals could help the community maintain a local hospital and simultaneously help keep Hunt financially solvent, Marquis said.

Eight hospitals in eastern Massachusetts, most in this area, have been contacted by the town about the feasibility of merging some services, Chairman David P. McKenna of the Board of Selectmen said this week.

The hospitals have been asked to submit reports by the middle of January. Then, McKenna said, the board will be able to begin considering more specific plans for the hospital's future.

McKenna stressed that Hunt Hospital will remain an acute-care facility but, beyond that, he said there could be major changes at the facility.

"We want to maintain a quality health care facility and reduce the cost burden to the taxpayer," McKenna said.

To do that, the continuing financial slide of the hospital must be halted. Numerous options to achieve that goal may be explored, according to McKenna. "We've got to find some way to make health care cost efficient."

In the past, town officials have considered turning part of the hospital into a nursing home or making the facility available for use by a health maintenance organization.

Those notions are not yet dead,

Continued on Page 14

Hunting for a solution — While the exterior of the Hunt Hospital will probably remain the same, what goes on behind the walls may be markedly different this time next year. Town and hospital officials are seeking to merge services and/or affiliate with other area hospitals in an attempt to decrease expenses related to the hospital while maintaining acute-care service on Lindall Hill.

State's role in new senior center explored

Salem News 12/19

BEVERLY — Mayor F. John Monahan has asked City Solicitor Thomas J. Alexander to look into the role state officials will play in the selection of an architect to design a new Beverly Senior Center.

The mayor made the request following a meeting last week with commission members who have been screening applications from architects since early last month.

He said Monday that he feels state officials may have to approve the architect for the project and he wants to be sure of the status the state will play in the city's plans.

State officials have agreed to a grant of $1.5 million toward the construction of a Beverly Senior Center building.

Members of the building commission announced that they have reduced the number of architects under consideration to about 25, and will trim the list to about 10 before starting the next phase of the selection process.

They will then visit the semi-finalists check their references and talk with them about their experience in constructing senior centers and other buildings used by older people.

They will then reduce the applicants to three, and those names will be submitted to the aldermanic committee on public service and aid.

That is where the state may become involved, according to the mayor, but he does not see any problem in letting state officials have a say in the selection.

The center will be built on land near Beverly Hospital which was donated to the city by the hospital.

In the meantime, members of the building commission and the Council on Aging plan to open a fund-raising headquarters at 248 Cabot St. in office space provided by the Beverly National Bank. The COA hopes to raise $500,000 to add to the state grant.

Durng the recent mayoral campaign, Monahan listed the construction of a senior center as a top priority he hopes to see completed during his next term that will begin Jan. 1.

Pedestrian still treated in hospital intensive care unit

Bev Times ~~Salem News~~ 12/19

BEVERLY – A 22-year-old Peabody man who was struck by a car while walking on Sohier Road Sunday morning remained hospitalized today.

A Beverly Hospital spokeswoman said John T. Provencher of Gardner Street was in fair condition in the intensive care unit.

According to police, initial reports indicated Provencher may have wandered into the road just before the early-morning accident. He was struck by a car driven by Angel Olmo, 17, of 2 Hilltop Drive.

Police have not charged Olmo in the accident and are continuing their investigation. Initial police reports listed a Salem address for Provencher.

Salem News 10/19

Laurel Ridge backers say concept still sound

BEVERLY — Officials at Beverly Hospital remain optimistic that they can win approval for construction of 190 units of congregate housing off Hale Street, known as Laurel Ridge, despite last weeks denial of conditions for the project by the Beverly Conservation Commission.

John L. Good III, vice president for community relations and development at the hospital, said Monday that he feels the hospital has made a substantial case for its proposal.

"We have looked very carefully at this plan and have received some excellent information and advice from our consultants," Good said. "We were always aware that we might lose at the municipal level, and are prepared to take our case to the state Department of Environmental Protection."

He said much of the work done by the consultants was aimed at making a case at the state level and hospital officials feel they can make a strong presentation there.

The Conservation Commisson unanimously voted against the project last week, ending several months of discussion.

JOHN L. GOOD III
'Some excellent advice'

Commission Chairman Raymond Bouchard said the commission will shortly send hospital officials written notice of its action, clearing the way for an appeal to the state.

Good said Monday that he expects the appeal will be filed shortly after hospital personnel receive the notice.

Budget overrides to be considered

Bev Times 12/19/89

By **BRYAN ALEXANDER**
Times staff

IPSWICH – Services such as trash removal and emergency medical care may have to be placed outside of the municipal budget and brought before residents as Proposition 2½ overrides, the board of selectmen decided last night.

Of more than 20 suggestions for budget cuts put before the board, approximately a dozen will have to stand the test of the voters next spring, said selectmen Chairman James Engel.

Engel said the items are being discussed just "to get a handle" on the budget dilemma. He stressed that they are rough ideas that merit much more research at later meetings. The decisions are far from final, he said.

"We want to be careful not to overreact to what we've had as discussion tonight," said Engel. "It would be premature to react strongly."

Engel submitted a list of programs from the budget he said are worthy of voter scrutiny. They included: $30,000 for a police officer; $125,000 for ambulance service; $160,000 for the third shift at Cable Emergency Center; and $600,000 for curbside trash pickup.

Trash pickup is budgeted for nearly $900,000, Engel said, which gives them some money in case the voters do not approve the additional amount. No matter what happens they have something with which to work, he said.

"The $600,000 assumes responsible alternatives to curbside trash pickup," said Engel. "The budget has to make sense even if all the overrides fail."

Selectmen William Walton asked the board to consider the money proposed to repair the engine of fire truck number 6, $16,000 to run the shellfish department and nearly $36,000 set aside for the town planner's position. These choices echoed popular sentiment on the board.

Despite the upcoming decision process, the selectmen expressed optimism over the increased voice of the people in the budget.

Walton relayed an anecdote of a former meeting when one spectator told of the need for greater community input into the budget, even when there is not a crisis.

"He said 'Maybe we should open up the entire budget and let the town folk decide,' " said Walton. "It wasn't a bad idea. That's where things are heading anyway."

"I don't have a problem with taking anything out of the budget," he added. "If it's a vital service it will stay there. I really believe it will stay there."

Salem news 12/19/89

Selectmen spell out options to solve fiscal woes

A News staff report

IPSWICH — Selectmen last night talked about placing several costs of town government on the ballot for overrides of Proposition 2½ this spring.

If the overrides fail, such town functions as clam digging supervision, the dog pound, recreation programs, a full-time town planner and tree-trimming could be eliminated, for an estimated savings of $157,000.

Other costs to be considered as override questions would be one police officer, repairs to a fire department truck and renovation of the central fire station, curbside trash pickup, spring and fall trash pickups for big items.

The cost of the curbside trash pickup was estimated at $600,000; and the fall-winter heavy item trash pickup at $60,000. The salary of one police officer was estimated at $30,000 and repairs to the fire station and truck at $80,500.

In addition, a $125,000 subsidy to a private ambulance company and $160,000 subsidy to Beverly Hospital, for keeping an emergency service at Cable Emergency Center from 11 p.m. to 7 a.m., may be placed on the override ballot.

It was the first discussion by board members of the specific steps they would consider to make up an estimated $1.1 million shortfall for the next fiscal year's budget, beginning July 1, 1990.

Town Manager George E. Howe had submitted a total town budget request last week that would require spending $1.1 million more than the town is allowed under Prop. 2½.

However, voters can vote to spend more than that if placed on the ballot.

Selectman Chairman James R. Engel, who proposed a list of override questions totalling $1.4 million (including $100,000 for expenses not included in Howe's budget request), said he was concerned that there may be "strong reactions" to the proposals.

He added that any reaction was "premature" since the board is just beginning discussion of how to handle the budget shortfall.

Howe noted in his weekly report that it was not too early to consider a committee that would work for passage of the overrides. State law forbids any board from spending town money on the overrides nor taking a political position on them.

In other towns, private committees have sprung up to do that, although they sometimes include town officials acting as individuals.

"We've put out some oxes that could be gored," commented Engel. "I hope some feel strongly about them and get involved in the process."

Although Engel suggested one police officer be put on the override ballot, the other three selectmen did not do so.

Selectman William E. George said he expected the school department, too, to submit some override questions. George suggested adding a $98,000 expense for air conditioning at the Ipswich Public Library to the override questions.

This expenses was approved at the 1989 annual town meeting, but Howe decided not to spend the money, when told to cut back the current year's budget by $150,000.

George said he would put the repairs to the fire department's Engine 6 on the override ballot, estimated at $40,000.

"We're getting a new engine, anyhow," he said. "I don't see why we just don't sell it."

Selectman William I. Walton's list included the Engine 6 repairs, the shellfish and recreation departments, trash collections and the town planner's position. Leet's list included the planner, library air conditioner, shellfish department and curbside trash pick-up.

Engel's list also included $90,000 for the sewer department, since the town would still be subsidizing the department by that amount, even after sewer rates are increased.

He also suggested placing the following costs on the override ballot, although Howe did not ask for money for them: $50,000 for a new boat for the harbor master, $32,000 for an addition to the central fire station, $5,000 for planning a fire station in the Neck, and $10,000 for a conservation agent.

The board doesn't meet next week, but is expected to discuss the items again at its next meeting, Jan. 2, 1990, after Howe double-checks the figures.

U.S. soldier shoots Panamanian police officer

Washington says Army officer responded to threat

PANAMA CITY, Panama (AP) — Panama's military denounced as an act of aggression a U.S. Army lieutenant's wounding of a policeman in a confrontation that occurred two days after Panamanians shot an American officer to death.

Monday's shooting occurred with U.S. forces still on high alert and President Bush refusing to rule out military retaliation against the government of Gen. Manuel Antonio Noriega.

The general's Defense Forces called the shooting of the policeman an "ever more reckless aggression" by the United States and accused U.S. officials of twisting the facts of the case.

The American involved was leaving a laundry in western Panama City when the policeman motioned to him to stop and approached him, according to the U.S. Southern Command. It said the policeman appeared to reach for a gun.

"The American responded defensively by pulling a weapon and fired two shots," the U.S. statement said. "The Panamanian went down, then got up and left the scene."

Panama, however, said the American was traveling in a vehicle that "never stopped and on the contrary, accelerated."

One of the two shots hit policeman Cesar Tejada in the left forearm, a Defense Forces communique said.

The civilian laundry, under contract to clean U.S. military uniforms, is near Southern Command headquarters and less than a mile from Panamanian Defense Forces headquarters.

The incident occurred as tensions were high over Saturday's fatal shooting of the American officer and the reported beating of a Navy couple who U.S. officials say witnessed the shooting —which Bush termed "an enormous outrage."

U.S. forces stayed on maximum alert but took no public action other than to patrol their bases in battle gear.

Since Noriega was indicted on cocaine trafficking charges in Florida in February 1988 the United States has tried through economic, diplomatic and political pressure to drive him from power.

The Panamanian leader claims the U.S. drug charges, which he denies, are part of a plot by Washington to renege on the 1977 Panama Canal treaties, which cede control of the waterway at the end of the century.

Panama says the American who was killed Saturday — and three others with him — ran a checkpoint and wounded a Panamanian soldier and two civilians. The Southern Command said they were fleeing a crowd of Panamanian soldiers and people in civilian clothes when the Panamanians opened fire.

Photographs viewed by The Associated Press of the 1981 Chevrolet with Michigan plates in which the Americans were riding showed bullet holes, including two on the driver's side and one through the trunk.

U.S. officers said the shots came from Soviet-made AK-47 rifles.

"This is the most serious incident we have had," a U.S. Command spokesman said. "This involved a loss of life. No course of action is being ruled out as a response."

"We are trying to be rational in our response. We are going to take a calculated plan of action. The U.S. government does not respond without thinking results through."

He spoke on the condition of anonymity.

White House press secretary Marlin Fitzwater said the Noriega government's recent declaration of a "state of war" with the United States "may have been a license for harassment and threats and in this case murder."

Romania seals borders: violence reported

12/19/89 BOSTON GLOBE

Keverian lobbies, but still doesn’t have the votes

By M.E. Malone
GLOBE STAFF

As the House leadership yesterday continued struggling for votes to pass a tax package before year’s end, a House-Senate committee charged with agreeing on how much more to cut the budget before raising taxes was meeting behind closed doors without resolution.

House Speaker George Keverian (D-Everett), lobbied among members reluctant to hike sales and gasoline taxes, but several Keverian supporters said they doubted the speaker has the votes necessary to pass the package.

“If he had the votes, I don’t think he’d be working this hard,” said one member of Keverian’s leadership team.

Meanwhile, a joint House-Senate conference committee met to try to reconcile the House’s $368 million package of budget cuts and nontax revenues with the Senate’s $349 million version.

Though some House members had suggested last week that the conference committee might be able to reconcile the two plans, there were few indications yesterday that that would happen quickly.

According to conference committee member Rep. Walter A. DeFilippi (R-West Springfield), the group has yet to discuss any of the controversial items both plans contain, including a Senate provision that would require all state and municipal employees to pay a portion of their health insurance premiums. In the past, the House has rejected attempts to raise employees’ insurance costs.

A number of state legislators have said they will wait until the conference committee is finished with the savings package before they will consider raising taxes to cover the rest of the $450 million to $500 million budget deficit.

While the conferees met, several interest groups were looking ahead to potential gubernatorial vetoes.

Members of four police organizations met with Gov. Dukakis yesterday over a proposal – made in both the House and Senate versions of the package – to combine them under the Department of Public Safety.

The Metropolitan Police force and the Registry of Motor Vehicles Police want to remain independent of the State and Capitol Police.

Secretary of Environmental Affairs John DeVillars, who oversees the Metropolitan Police, said yesterday he is urging Dukakis to veto any merger plan while a special commission studying police department mergers completes its work.

“Symbolism has its time and place, but it shouldn’t be the dominant concern when we’re talking about a reorganization of this magnitude,” DeVillars said.

Members of public employee unions were lobbying throughout the State House trying to forestall a Senate-backed plan to charge all state and municipal employees for a portion of their health insurance coverage as well as another provision, which employees fear will force them onto their spouse’s health plans.

The Massachusetts Municipal Association, which believes cities and towns can save millions of dollars and critical jobs with the two provisions, plans a counterattack today by hosting a press conference on the measures.

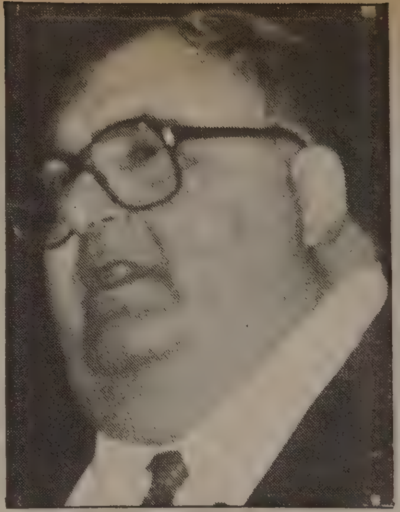
MOSES, the union for the state’s scientists and engineers, held a news conference yesterday to draw attention to a provision restricting the use of outside consultants. The provision is in both the House and Senate budget reduction plan versions.

MOSES president Paul Donohue, whose members often compete with outside consultants for work, called the provisions “the most significant governmental reform and cost savings of the decade.” He said consultants cost the state as much as $100 million annually in unnecessary salaries and cost overruns.

The provisions would prohibit the state from signing independent consultant contracts when at least 80 percent of the work can be done by existing state employees. It also limits the amount by which consultant contracts can be amended upwards during the course of the contract.

Rep. Marjorie Clapprood (D-Sharon), a sponsor of the restrictions, said they are important not only for the money they will save in the budget, but for their symbolic value.

“When we talk about cutting the budget, people want us to start at the top,” Clapprood said. “They don’t want to see social workers and teachers laid off when consulatnts are making in excess of $100,000 a year.”



GEORGE KEVERIAN
Pushes for tax plan

Globe reporter Renee Loth contributed to this story.

BOSTON GLOBE 12/19

Task force says state's economy can withstand new taxes

By Bruce Mohl
GLOBE STAFF

A gubernatorial task force dominated by business officials and headed by a Republican banker said yesterday that new taxes are needed to give the state the time to enact major management changes.

The task force, headed by Bay Banks president William H. Crozier Jr., said the state's overall tax burden as a percent of personal income is about 10 percent below the average of 16 competitive states, enough room to raise taxes without hurting the economy.

"Massachusetts is in the paradoxical position of being the third wealthiest state in terms of personal per capita income, but the one with the lowest credit rating," Crozier said. "This matter cannot be tolerated any longer. All of us are being hurt unnecessarily."

Crozier said the task force could support a one-cent increase, a broadening of the state sales tax and a sharp increase in the gasoline tax. Such a package is now being studied by House leaders.

But under questioning, Crozier indicated that the group's support for the House tax package was based primarily on the fact that House leaders are considering it and not because it made any economic sense.

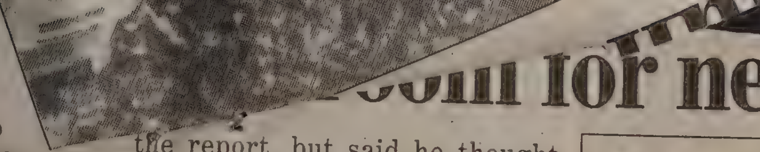
Although he urged Beacon Hill to review taxes that affect consumption instead of investment, he said the

TAXES, Page 18

of the world: ...
urged "moral renewal" on his
temporaries.

Attack on the academy

and like all prophets, he
and was ex
they had



for new state taxes

force was not formally recommending any tax hike.

It did not recommend specific cuts in nonessential spending, as it was charged to do. Instead, it focused on major changes in the way the state manages its health care costs, repairs roads and bridges, issues debt, and manages its assets.

Overall, the report painted a picture of a poorly managed state – at one point Crozier said "the state does not know what it owns" – but the banking executive refused to either criticize or praise the Dukakis administration for its handling of the state's finances.

"I'm not sure I can say that the state is not well managed," Crozier said. Asked if he could say the state is well managed, he demurred again, saying: "Beauty is in the eye of the beholder."

Crozier was equally silent on the the report, but said he thought spending should be cut more before new taxes are considered.

Gov. Dukakis, who did not appear at the Crozier press conference, issued a statement praising the report for pointing out the need for new tax revenues.

The 17-member Management Task Force, made up of 13 business officials, two lawmakers, one human service provider and one union representative, was appointed by Dukakis on Aug. 21. The task force had no budget, relying on data provided by government agencies and research provided by the Boston Consulting Group, a private consulting firm.

Crozier described taxes as necessary to deal with the state's immediate budget problems, but he said fundamental changes in the way state government is managed also need to be made.

"What we do not need is a quick fix, lest we be in a bigger fix tomor-

Revenue burden

State and local taxes and fees per $1,000 of personal income.

New York	$206
Vermont	183
Arizona	178
Maine	173
California	167
Michigan	166
US average	**161**
Washington	160
Texas	156
Maryland	154
North Carolina	151
Rhode Island	150
New Jersey	149
Pennsylvania	145
Massachusetts	**143**
Illinois	140
Connecticut	136

its Medicaid clients. Massachusetts spent $3,147 per Medicaid client in 1986, compared with a national average of $1,977. The report also compared Massachusetts with 16 other states and found only New York, at $3,552, paid its Medicaid clients more.

■ State Employee Health Costs – The report said state spending on employee health care costs has grown an average of 14 percent a year over the past seven years and needs to be controlled.

Changed view on health plan

Up until this past weekend, the task force had planned to recommend that the state negotiate with employee unions on an appropriate contribution to a health and welfare fund that would purchase health benefits for workers. The fund would be managed jointly by union and management officials.

But, during the weekend, Crozier apparently shifted direction and opt-

BOSTON GLOBE 12/20/89

Sullivan discusses health benefits

By Richard A. Knox
GLOBE STAFF

Dr. Louis Sullivan, the secretary of health and human services, said yesterday that the Bush administration will offer new financial incentives to employers to provide health insurance along with a publicly financed program to cover the unemployed.

The statements, made by Sullivan in an interview here, move the administration further in signaling its plans for covering the 37 million Americans believed to lack health insurance, according to Capitol Hill sources.

Sullivan told a group of Boston City Hospital resident physicians that 1990 will see "a very vigorous debate" over health-care financing reform.

The young doctors discussed two typical Boston City Hospital cases with Sullivan: a female addict with two children who suffers from what are probably early symptoms of AIDS and a profoundly demented 77-year-old man who has been in the hospital more than a month because there is no place to send him.

"I can see you still have the kinds of patients I used to see here as a faculty member in the 1960s," Sullivan said. "I didn't have the answers then, and I still don't."

The residents said afterward that they appreciated Sullivan's personal interest even if they do not agree with the Bush administration's philosophy.

"In my opinion we need radical change in the health-care system," said Helen Barstin, a senior medical resident. "To be honest, I'm in favor of a Canadian-type system. But I'm satisfied with the way he approached our cases. I think he understands."

In a later speech at Boston University Medical School, where he was once a faculty member, Sullivan predicted "a very vocal debate in 1990" on health financing and said: "You must engage in the coming debate about our health-care system."

"We are not getting the best return on our health-care dollars," Sullivan said. He noted estimates that Medicare outlays to doctors will exceed Social Security payments by 1995, and he called on physicians to "do more."

"You can usher in an era of greater personal responsibility in our society," he said.

Sullivan said the administration will probably propose initiatives to lower the US infant mortality rate, which ranks 19th in the world. "Clearly we know what to do. We simply need to do it," Sullivan said. "We have to get the resources we need."

President Bush and he agree, Sullivan said, that investing in children and pregnant women will pay greater long-term dividends than increasing federal support for long-term care of the elderly: a theme he struck repeatedly during the day.

The health and human services chief predicted little movement next year on funding long-term care for the elderly, noting the $35 billion to $45 billion price tag and the fact that Congress "has been traumatized" by the response to new catastrophic coverage under Medicare, which was repealed last month.

"I would be very pleasantly surprised if we were to address the issue of long-term care" for the elderly because of budget constraints, he said in an interview.

Sullivan discussed how to extend health insurance to Americans who lack it, two-thirds of whom are employed or the dependents of working people.

"The precise shape of our plan is yet to be determined, but I think it will have a significant measure of incentives to make sure insurance is available," Sullivan said in an interview.

The outlines sketched by Sullivan resemble legislation introduced by Sen. Edward M. Kennedy, with the crucial difference that the upcoming Bush plan will not mandate that all employers offer health insurance to employees who work a certain minimum number of hours per week.

"Our concern is that many small businesses are not offering insurance now because the expense is so burdensome," Sullivan said. "To mandate programs could work to the disadvantage of our economy as well as that of small businesses."

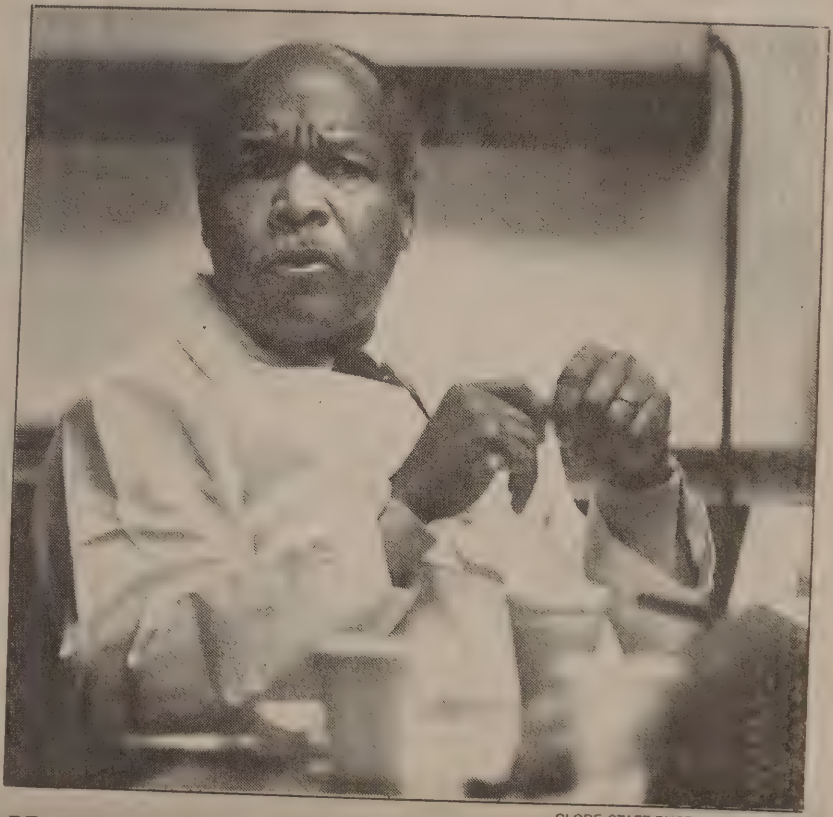
Sullivan said that like Kennedy's plan, the administration's will probably propose insurance pools small employers could use to make coverage more affordable.

"The idea we have is to try to have these incentive programs to make insurance much more available," Sullivan said.

"That does sound like an advance over their previous position," said a staff member for the Senate Labor and Human Resources Committee, which Kennedy chairs.

"What we don't want . . . is to say to employers, 'We'd like you to cover your employees, but if you don't the public will pick up the tab.' That would have employers dumping people on the public system," he added.

The committee staff member, who asked not to be identified, indicated that Sullivan's comments may open an area of negotiation between the administration and congressional Democrats over the health insurance issue.



GLOBE STAFF PHOTO / JANET KNOTT

DR. LOUIS SULLIVAN . . . "A very vigorous debate"

Salem news 12/19/89

Business leaders say state must hike taxes

A News staff report

BOSTON — A task force composed largely of Bay State business leaders, said Monday a tax hike will be needed to help close the state's revenue gap.

In making the finding, the 17-member panel became the latest of several conservative-minded organizations to endorse the concept of new taxes. The Massachusetts Taxpayers Foundation and the Massachusetts Municipal Association last week both came out for higher taxes as a means of solving the state's fiscal woes.

But whether the endorsements are enough to pave the way for a tax increase in the Legislature remains unclear.

A House-Senate conference committee appointed to hammer out a plan to reduce the $825 million state budget deficit met Monday but failed to produce a package. Many lawmakers have said they won't consider taxes until more spending cuts are approved.

TAXES
(Continued on Page 8)

Rep. Peter G. Torkildsen, R-Danvers, a tax foe, said the fact that the House will not resume formal sessions until Wednesday is a sign that House leaders "do not have the votes yet" for a tax hike.

The business task force, headed by BayBanks president William M. Crozier Jr., was established Aug. 21 by Gov. Michael S. Dukakis to study the state's fiscal management policies.

In its preliminary report, entitled "A Time To Act," the group declared, "It is time to restore credibility to the state's fiscal condition."

Noting that Massachusetts is in the "paradoxical position" of being the third-wealthiest state in the nation but the one with the lowest bond rating, the panel said, "This matter cannot be tolerated any longer. All of us are being hurt unnecessarily."

The group urged that the commonwealth begin a multi-year program to control its operating costs. It also called for maintaining the state's investment in human service programs and for more investment in roads and bridges.

But the report added, "A way must be devised to bridge the current revenue gap. That should not be deficit finance. That leaves taxes, taxes such as the one-cent sales tax and a broadening of the sales tax base, as is being discussed in the House."

The group said that "new taxes can be justified, however, only if government commits itself to controlling expenses, managing structural change and investing in our future."

On the other hand, the group said it would favor a hike in the gas tax immediately, with the money to be earmarked for road and bridge repairs.

Crozier later was evasive about the specific tax hikes he or his group would support, saying that was up to lawmakers. He said, however, the formula most recently discussed in the House, which includes the sales and gas tax hikes, would be acceptable to his panel. He said he personally opposed an increase in the capital gains tax.

The task force report drew criticism from both pro- and anti-tax forces.

Barbara C. Anderson of Marblehead, director of Citizens for Limited Taxation, said some of the cost-control initiatives proposed by the panel were sound.

"What they have to understand ... is that none of these recommendations will be taken if they allow a tax increase," she added, however.

Anderson also commented that "having a major business group stand up and recommend that the state should borrow more from the banks certainly proves our case that big business is no friend to the taxpayer," apparently referring to the group's support for more state investments.

James Braude, director of the Tax Equity Alliance of Massachusetts, which supports a tax hike, said, "The good news is they said, 'We need taxes.' That's honest and correct. The bad news is they seem to continue to endorse taxes that only working families are going to pay."

Several legislators opposed to taxes said they doubted the report would alter their views.

"They support taxes that don't affect them," said Rep. J. Michael Ruane, D-Salem, referring to the business-oriented group.

Torkildsen said the panel did not speak for the entire business community, noting that many business people still oppose new taxes.

"It doesn't change my perspective," he said, arguing that a tax hike would exacerbate the problems besetting the state's economy.

But Sen. Frederick E. Berry, D-Peabody, who favors new taxes, called the Crozier report "a rational statement," adding, "I hope people can reflect upon what the Crozier group is recommending."

The task force recommendations

Here are some of the key recommendations in the report issued Monday by Gov. Michael S. Dukakis' management task force:

- Create a new Health Department and set up a task force to find ways to contain spiralling health costs.
- Replace the indemnity health insurance plan for state employees with a managed-care plan. Require employee contributions for HMO plans.
- Reorganize Secretariat of Administration and Finance, bringing comptroller under it.
- Develop long-range capital budget for roads, buildings and bridges.
- Create a professional, non-political staff to perform revenue forecasting.
- Develop asset inventory system.
- Make human services programs more efficient.
- Review spending in higher education.
- Adopt a gas tax to support deferred public works maintenance projects.
- Attract and nurture new businesses.
- Increase and broaden sales tax to cover current deficit.

12/20/89 BOSTON globe

The visiting nurses' growing role

The Visiting Nurse Association of Boston reached a milestone this month when it recorded the 195,001st nurse's visit of 1989, the most in a year. The work of the association provides better health for thousands in the Boston area.

The association has been dispatching nurses to patients since 1886. The job has grown in importance during the past decade as medical technology has improved and the pressure to cut costs has intensified.

A visit with nurse Janet Roach to a patient in Dorchester shows the importance of the nurses' work. Two-year-old Johnny has a combination of ailments: a heart condition makes him weak, and a stomach disorder means he must be fed through a tube in his stomach. Johnny could stay in a hospital, at a cost of $700 a day. A few years ago that would have been the only option, but today feeding tubes have improved and he can stay at home, as long as a nurse comes by three or four times a week, at the bargain rate of $60 a visit. The result is a happy child, still confined to his crib for much of the day but alert and amused by a group of visitors.

Johnny is fortunate to have two grandparents living in the house who care for him while his parents work. All family members have been trained to manage the feeding tube, and when it sprung a leak, his grandfather made a temporary repair with a piece of tape.

Roach's 28-person caseload includes asthma sufferers, children of drug addicts, premature infants and a teen-ager with AIDS. "You get to know the patients," she says. "They are not just people in a bed." Because she sees them regularly, she is able to spot medical problems before they get out of hand. Her visits are subsidized by the much-maligned state Medicaid system.

This expansion of services is one reason that Medicaid costs increased in Massachusetts over the past few years. In Johnny's case, the new service provides him with competent medical care at a reasonable cost in a loving environment.

Not all the patients are as fortunate as Johnny in having an extended family living in the same house. For those living alone, the Visiting Nurse Association provides home health aides to prepare meals and help the patients care for themselves. For AIDS patients, workers with special training provide the services needed to treat this complex disease.

All these services come comparatively cheaply – $29 million provides for the needs of 12,000 patients. Sixty percent of the budget comes from the government. It is money well spent.

BOSTON GLOBE 12/20

US official backs Medicare refunds

WASHINGTON – Gwendolyn King, the commissioner of Social Security, yesterday backed a plan to send nearly 27 million elderly people monthly refund checks early next year to offset Medicare premium overcharges. Under the proposal, Social Security beneficiaries would be simultaneously overcharged for their Medicare coverage and issued monthly refunds during the early months of next year. The unusual arrangement is the best solution to a problem created by Congress' late action in repealing Medicare's catastrophic health-care program, King said. She said there is no way Social Security's computers can be quickly adjusted to halt withholding of the extra Medicare premium for catastrophic coverage. (AP)

Budget fight focuses on health costs

Salem News 12/20/89

A News staff report

BOSTON — Municipal officials stepped up the pressure on lawmakers Tuesday to approve budget-cutting language that would force state and local employees to pay more for their health insurance.

But representatives of public employee unions mounted equal pressure on the legislature to defeat the changes.

The intense lobbying took place as a House-Senate conference committee labored to reach agreement on a package of non-tax cuts and revenues to reduce the $825 million state budget deficit.

"If there's no more money for local aid, then the state must give us some first aid," said Lynn Mayor Albert V. DiVirgilio, representing the Massachusetts Municipal Association at a Statehouse press conference.

DiVirgilio, who is also president of the Massachusetts Mayors Association, was urging the conference panel to accept two provisions in the Senate's deficit plan, neither of which is included in the House version.

One provision would allow municipalities to pay the same percentage in premium costs for their employees enrolled in HMO plans as they pay for employees covered by the indemnity plan offered, usually Blue Cross/Blue Shield.

Currently, municipalities must pay the same dollar figure for employees under the two plans. Because HMO plans are cheaper, the result is that employees covered by HMO's often pay less for their share of the premiums than employees with the indemnity plan.

Another provision would forbid employees from being covered by the state or local insurance plan if they are already covered by their spouse's plan.

Local officials have long fought for both changes, claiming the current system favors some employees over others.

DiVirgilio said the changes would also free up needed resources for cities and towns hard hit by the loss of local aid. That, in turn, would forestall layoffs of employees.

DiVirgilio said, all told, the changes would save municipalities $50 million.

Salem News 12/20/89

New Year's resolutions at Hunt include tighter belts

A News staff report

DANVERS — Changes affecting employees at Hunt Hospital are likely within the first two months of 1990, Town Manager Wayne P. Marquis said Tuesday.

The reason is the continuing bleak financial picture at the hospital.

The changes have been rumored to potentially include layoffs or reductions in salaries.

Marquis did not confirm that either is under consideration, but indicated that something must be done.

"I can see we are going to have to tighten up our budget," he said.

Marquis said he did not want to wait much longer than February to make changes because delaying decisions could prove more costly.

For the first five months of the current fiscal year, the town-owned hospital is $561,331 in the red. Although negative, the situation is far better than last year when Hunt was running a deficit of $1,691,118 after five months.

Hunt operated with a deficit of about $1.6 million for all of fiscal year 1989.

Based on almost six months of the fiscal year, Marquis has not liked what he has seen. "It looks as though it will be a difficult year," he said.

"We would need to find ways to reduce our salary expense," Marquis said. "If we could find ways to reduce benefit costs, that is clearly part of the pie."

One rumour was that Hunt Hospital would ask nurses to receive regular pay instead of holiday pay for working on holidays.

Jan L. Pittsley, co-steward of the union representing licensed practical nurses, said talks she was involved in did not include giveback provisions.

"We just talked about situational problems, what the situation is about," she said. Pittsley declined further comment.

Salaries are not the only area under consideration for cuts, although that consumes the bulk of the budget. Cuts in personnel and capital and management areas are also possibilities.

Hospital Administrator David L. Stansberry said that layoffs would be towards the end of a list of options.

Two assistant administrators were laid off during this calendar year, and Director of Community and External Affairs Peggy Toomey left by her own choice. Toomey was making approximately $45,000 annually when she left.

Stansberry said: "I think we have to look in all areas for ways to save money."

Funds for capital equipment also may be lacking.

"We are not just looking solely at salaries," he said. "When we have any opportunity for savings, we will pursue them as best we can and that does mean holding back on buying capital equipment."

Marquis said that employees are being consulted about possible changes.

"We will be talking with our employee about ways in which we can do this," Marquis said of the changes. "You need to inform people as to what the situation is."

Marquis holds regular meetings with hospital administrators, including Stansberry, to go over Hunt's operations.

Part of the continuing problem for the hospital industry throughout Massachusetts is the failure of the state government to reimburse the hospital in a timely fashion.

In several cases, Hunt has waited about five years for payment.

"I don't see anything on the state horizon that bodes well for hospitals," Marquis said. "I see the state doing all it can to maintain the bond rating, let alone help hospitals."

Budget agreement may come today

BEVTimes 12/20/89

BOSTON (AP) – House and Senate conferees were set to continue deliberation on savings and cuts to partially address the state's $825 million budget deficit, with one lawmaker saying an agreement may be reached today.

The top issues on the table Tuesday were reducing the state's cost of health care and public transportation.

The six-member conference committee was trying to reconcile a $354.3 million Senate package with a House-approved plan valued at $300 million.

Rep. Angelo Scaccia, D-Boston, said the committee could reach an agreement Wednesday, and a year-end push for new taxes to close the budget gap could not begin in the House any earlier than next week.

But Senate Ways and Means Committee Chairwoman Patricia McGovern, D-Lawrence, said she "wouldn't be surprised" if no final bill was produced by Friday.

Rep. Richard Voke, D-Chelsea, chairman of the House Ways and Means Committee said the conferees had to reevaluate the entire budget, line item by line item, plus new sections offered as savings proposals.

"It's the most voluminous document I have ever seen in my 13 years in the Legislature," Voke said. "The budgets of the full fiscal year pale in comparison."

Conferees said they were just beginning work on the package, and there were no major disagreements during the early stages of deliberations.

"There may be in the future, but we haven't gotten to them yet," he said.

Administration officials and some legislative leaders have held out hope for new taxes by the end of the year, but the holiday season complicated tax efforts.

Scaccia said at least three pro-tax legislators would be on vacation next week while the House leadership knew of only one tax foe who was leaving.

"We just hope to accomplish the tax package after we finish the cuts package," Scaccia said. The legislative year ends Jan. 2.

The Senate proposal took stronger measures to begin dealing with mandated programs where costs have been rising, including plans to cut spending on health care for state employees and their families.

Lynn Mayor Albert DiVirgilio said the plan would save cities and towns $50 million next year, which in turn could save the jobs of more than 1,600 teachers, firefighters, police officers and other municipal workers.

All state employees would be required to pay 10 percent of their health insurance. If state or municipal employees are covered under a spouse's plan, the Senate's proposal would force them to choose one to eliminate double coverage.

It would also switch local coverage from a fixed dollar amount to a fixed percentage of health care costs.

Advocates for the Massachusetts Teachers Association and the Professional Firefighters of Massachusetts said the plan was an attempt to balance the budget at the expense of public employees.

Scaccia only said the three House conferees were seriously reviewing the Senate proposals.

The House savings plan called for a 5 percent growth cap on the budget for the Massachusetts Bay Transportation Authority.

The Senate called for capping MBTA capital expenditures at 10 percent of the overall budget.

12/20/89 Boston Globe

Legislative delays give Dukakis the final say on budget package

By M.E. Malone
GLOBE STAFF

The Legislature yesterday effectively gave Gov. Dukakis carte blanche to veto any portion of the $350 million budget reduction package on which it is working without giving lawmakers a chance to override his vetoes.

By failing to work out the differences between the House and Senate versions of the budget reduction plan by midnight last night, legislators gave the governor the option of waiting until after Jan. 2 – when they are out of session – before he vetoes any portion of the package.

By law, the governor has 10 days in which to veto portions of budget bills before returning them to the Legislature, which may then consider an override of the veto. When the House and Senate have recessed for the year, however, the governor can single-handedly reduce or eliminate budget items without risking an override.

The governor's press secretary would not comment yesterday on whether Dukakis would take advantage of the opportunity to avoid possible overrides.

The administration has expressed opposition to a number of items in the House and Senate versions of the budget savings measure, including proposals to consolidate all state police departments under one secretariat, to recoup loans made to independent state authorities, and to charge authorities for state services.

The joint House-Senate conference committee charged with reconciling the House and Senate packages met behind closed doors Monday and yesterday without resolving any of the major differences between the two versions. Committee staff members have been meeting since Friday.

In addition to risking a gubernatorial veto of some legislative budget cuts, the conference committee's slow pace of work also makes it more likely that the end of the Legislature's 1989 session on Jan. 2 will pass without resolution of the state's budget deficit.

Dukakis has tried to coax the Legislature into passing the taxes necessary to make up the difference between $350 million cut from the budget and the $800 million to $850 million deficit before the end of the 1989 legislative session.

"He believes that is a realistic deadline," said Steve Crawford, spokesman for the governor, referring to Jan. 2. "He believes it is so important for us to get this behind us and move on."

Sen. Patricia McGovern (D-Lawrence), chairwoman of the Senate Ways and Means Committee and a member of the conference committee, said yesterday she is doubtful the committee will finish its work before tomorrow because of the complexity of the task.

"It is brutal," she said of the process of trying to reconcile House proposals for resolving the budget deficit with those submitted by the Senate.

She and House Ways and Means chairman Richard Voke (D-Chelsea) said yesterday that the conference committee has yet to discuss any of the major differences between the two packages, including a Senate plan to charge all state employees for a portion of their health insurance premiums.

House Speaker George Keverian's aide, Al Frezza, said yesterday the speaker does not intend to call the House into a formal session until the conference committee completes work on the package.

Insurance changes backed

Also yesterday, city and town leaders held a press conference to urge the House to go along with the Senate's health insurance plan changes. In addition to requiring all state employees to pay 10 percent of their health insurance premiums, it would require city and town workers in health maintenance organizations – which are now free for the employees – to pay the same portion of their insurance premiums as employees in more expensive indemnity plans such as Blue Cross/Blue Shield.

Members of the Massachusetts Municipal Association estimate that such a provision, coupled with another aimed at requiring municipal employees with working spouses to choose between their employers' health plans rather than enroll in two, will save cities and towns $60 million a year collectively.

"If there's no money for local aid then the state must give us some first aid," said Albert DiVirgilio, mayor of Lynn. DiVirgilio said the savings would translate into fewer layoffs of teachers, police and firefighters next year.

BRIEFLY

Blood drive scheduled

PEABODY — The Knights of Columbus, Leo Council of Peabody, will sponsor a special Red Cross Blood Drive on Wednesday, Jan. 3, at the Peabody Donor Center, 85 Lowell St., Peabody. The Knights will offer to everyone who donates blood on that day the opportunity to designate a $10 donation to the charity or non-profit organization of his or her choice. For information or to make an appointment, contact the north area office of the American Red Cross in Peabody.

Trash pickup will be delayed by holiday

Because of the holiday, Monday, Dec. 25 rubbish pickups in Peabody will be one day late for the rest of the week.

College courses offered by Northeastern

PEABODY — Students may register during the first class for the 54-course selections Northeastern University is offering at Peabody Veterans Memorial High School [illegible] Classes

---

New traffic lights to begin blinking

A News staff report

PEABODY — Two different kinds of lights will be lit this week in the downtown area — and neither is Christmas lights.

The new traffic lights, part of the reconstructed Square, are expected to be turned on in the next day or two, and half of the 34 decorative gas lamps will be lit this week.

Community and Development Director Dennis A. DiZoglio said the state has been asked to set the traffic lights on a blinking pattern for a while so motorists can get used to the change.

DiZoglio said he was unsure whether the state has decided to set the traffic lights in a blinking pattern.

DiZoglio said the traffic lights are in place and all that has to be done is to hook up the electricity.

The new traffic pattern in the Square has already been established since the Civil War monument was moved last summer and a four-way intersection replaced the rotary. The work is part of a $3 million Urban Systems project.

"The square is already the way it will be ultimately. You are seeing that traffic pattern right now," DiZoglio said.

Some motorists and pedestrians have been complaining that many drivers are ignoring the stop signs posted in the square. The stop signs are temporary and will come down when the traffic lights become operational.

DiZoglio said that some of the confusion in the square will be cleared up when the barrels defining traffic patterns are removed.

Although the gas lights are not Christmas lights, Mayor Peter Torigian said that they will add a festive air to downton for the remainder of the Christmas season. Many businesses have had to endure temporary financial losses while reconstruction and repaving was being done. All construction stopped in the Square on Dec. 15 and will not resume until spring.

Torigian said that 17 of the 34 gas-lamp bases are in place and will be installed. The gas lamps were delivered to the city Friday.

The only work happening now, DiZoglio said, is under some sidewalks in underground delivery areas such as one in front of Morgan Memorial. He said those area ways are being renovated before the new cement sidewalks are installed.

Salem News 12/20/89

Hospital, NSCC form bond to boost nurse training

BEVERLY — Beverly Hospital and North Shore Community College have formed a partnership that will enable the college to accept 10 more nursing students.

The additional students can be enrolled in the college, because of a $35,000 grant given to the school by Beverly Hospital.

The grant is expected to benefit the hospital by increasing the number of nurses it may be able to attract, and will allow the college to increase from 70 to 80 the number of nursing students by adding another faculty member to the staff. The college has had to cut back on its nursing enrollment in recent years because of the state's fiscal problems. The grant will allow the school to return to its pre-fiscal crisis enrollment.

In announcing the partnership, officials at NSCC noted that Beverly Hospital is faced with a continuing shortage of nurses had gone international in its recruiting efforts. The method they said was costly and not always satisfactory.

The cooperative effort had its beginning in the fall of 1988 when Robert R. Fanning Jr., president of Beverly Hospital, and NSCC President George Traicoff met. That initiated additional meetings between staff members at the two institutions. The meetings led to a announcement that the hospital would come up with a $35,000 grant. Half of the money comes from its general fund and half from its Evelyn Lilly Lutz Foundation.

Fanning noted that the hospital was able to award the grant, because of its zero deficit status during a time when 80 percent of Massachusetts hospitals are operating at a deficit. The grant allows the college to pay an additional nursing instructor as well as provide employee benefits.

Another reason for the hospital awarding the grant is the high percentage of nursing graduates from NSCC who choose Beverly Hospital for a career. The hospital hired 55 NSCC graduates from the college's last two graduating classes.

Bev. Times 12/21

HELP FROM COCAINE: The cocaine recovery program at the Center for Addictive Behaviors in Salem provides help for people who need assistance in kicking the habit. Programs include detoxification, aftercare, group, individual, couples and family therapy. For more information or an appointment, call the center at 745-8890.

DEALING WITH AIDS: The Visiting Nurse Association of Greater Lynn will hold a special support program for people dealing with the loss of a loved one from AIDS on Thursday, Dec. 21, from 7 to 8:30 p.m. The program is free and will be held at the VNA office, 16 City Hall Square, Lynn. The program is designed to help people cope with their grief during the holiday season and other times. For information, call Karen Driscoll at the VNA at (617) 598-2454.

HEALTH CLINICS: The Visiting Nurse Association (VNA) of North Shore, Inc., has announced the January senior health clinic schedule for the city of Beverly as follows:

Garden City Towers – Wednesday, Jan. 3, 10 a.m. to noon

Turtle Creek – Wednesday, Jan. 3, 1:30 to 3:30 p.m.

Roger Conant – Tuesday, Jan. 9, 10 a.m. to noon

Fairweather – Wednesday, Jan. 10, 1 p.m. to 3 p.m.

Beverly Farms/Hastings House – Tuesday, Jan. 16, 10 a.m. to noon

Apple Village – Wednesday, Jan. 17, 1 p.m. to 3 p.m.

Jaclen Towers – Tuesday, Jan. 23, 10 a.m. to noon

Hannah Village – Wednesday, Jan. 24, 10 a.m. to noon

These clinics are free and open to Beverly residents age 60 and over. VNA of North Shore community health nurses provide health assessments, blood pressure screening, weight, pulse, heart and lung monitoring, health teaching, medication and diet discussion, and diabetes testing and screening.

The clinics are funded in part by the Executive Office of Elder Affairs, Senior Home Care Services, Beverly Board of Health, and client donations. Appointments may be made by calling the VNA of North Shore, 777-6100.

Note: If schools are closed due to inclement weather, the clinics will also be closed.

Local volunteers sought for senior center fund raising

By **KAREN DiCONZA**
Times staff

Bev Times
12/20

BEVERLY – Volunteers from all sectors of the community are being sought to help raise $500,000 for the construction of a new senior center on Heather and Colon streets.

So far, the Beverly National Bank has provided office space at 248 Cabot St. where the fund raising can take place.

"But we still need everything from a conference table and couple of desks to office supplies," said Linda Cragin, director of geriatric care at Beverly Hospital and one of the organizers of the new center.

"We also need volunteers to work in the office to assist in all aspects in fund raising. To raise $500,000, you need some administrative assistance in place, even if it's to help write thank you notes."

A $1.5 million block grant – made up of federal funds and administered by the state – has been given to the city to build a new senior center.

> ***"We also need volunteers to work in the office to assist in all aspects in fund raising."***
>
> **– Linda Cragin**

However, at least another $500,000 in donations are needed because the grant does not cover the total cost of the proposed $2-2.5 million center.

The new center is slated for a 1.6-acre parcel of land donated to the city by Beverly Hospital. The current center is housed in cramped quarters at the GAR Hall on Dane Street.

"We plan to have a communitywide campaign, because hopefully it will be a community building used by all people, like the Boy Scouts and other groups," Cragin said. "We want to make sure we have a building that's designed to fit the needs of the entire community. It has to be good for now but also good for the future."

Cragin said the building commission has narrowed the list of potential architects from 49 to 15, and hopes to have make its recommendation to the Board of Aldermen's Public Service and Aid Committee in early January.

Once the architect is chosen, it will take about two months for designs to be prepared. Then the city can go out to bid on a contractor for the project, Cragin said, with ground breaking projected for the middle of the summer.

"I'd like to see the building ready in a year after that," she said.

Anyone interested in helping with the fund raising can call Cragin at 922-3000, Ext. 2911.

Virginia Lowry photo

Youngsters from the Beverly Regional YMCA Nursery School sing for children in the Beverly Hospital Pediatrics Unit.

Bev Times 12/20/89

Youngsters bring cheer to their peers in hospital

By VIRGINIA LOWRY
Times staff

BEVERLY – Cristina Bunger, 4, and her brothers, Anthony, 6, and Joseph, 3, sat wide-eyed on a sofa in a Beverly Hospital lounge, as 3½-year-old "soloist" Christopher Malo began his own slightly off-key rendition of "Santa Claus is Coming to Town."

The Bunger children and their mother, Gloucester resident Thea Silveira, spent part of yesterday at the hospital while all three youngsters underwent day surgery, having ear tubes inserted.

Still dressed in their short, patterned hospital gowns, the Bungers received some unexpected – and special – entertainment from Christopher and 13 other youngsters. The musical visitors are all between the ages of 3½ and 5 years old and attend the Beverly Regional YMCA Nursery School.

The pre-schoolers' visit to the Beverly Hospital pediatrics unit was arranged by Debbie Connery, head teacher at the school, and Candy Skalarz, nurse/manager of the pediatric unit, according to pediatric charge nurse Jorj Remillard. It was designed to cheer children who are missing pre-Christmas festivities because they are hospitalized, said Remillard.

"We've made coloring books to give to all the kids," Connery explained to Remillard. "And we have some crayons and some candy and cards for them. And we're going to sing."

Shepherded by Connery, two other teachers and a parent, the 14 youngsters at first seemed awed – and uncharacteristically quiet – as they marched down the hospital corridor, holding hands buddy-style. It didn't take long for them to warm up, however, after they plopped down on the lounge rug in front of a Christmas tree and Christopher's solo broke the ice.

With growing enthusiasm, if not total recall of many song lyrics or melodies, the pre-schoolers sang their way through Christmas classics like "Rudolph the Red-Nosed Reindeer," "Ten Little Reindeer" (to the tune of "Ten Little Indians") and an especially rousing "Jingle Bells."

School-aged children especially "find it hard being here this week because they're missing parties," she said. As a result, visits from other children such as those from the YMCA take on added importance, she said.

The youngsters closed with a spirited group version of "Santa Claus is Coming to Town." And, although many of the lyrics were missing, everyone knew the part that went, "He knows if you've been bad or good . . . . "

After the song fest, Connery chose each of the pre-schoolers, in turn, to pass out their gifts of handmade coloring books, packets of crayons and candy and Christmas cards.

With shy, but sincere "thank yous," the Bunger youngsters and others in the pediatric unit accepted their gifts.

Remillard and other staffers know just how miserable it can be for children who are hospitalized during the holiday season, especially on Christmas Day. Although most doctors make every effort to discharge their young patients before the holiday, there are always exceptions.

Even before Christmas, being hospitalized is a wrenching experience, according to Remillard.

School-aged children especially "find it hard being here this week because they're missing parties," she said. As a result, visits from other children such as those from the YMCA take on added importance, she said.

Besides Christopher Malo, nursery school youngsters visiting the hospital were Matthew Connery, Joey Walsh, Peter Frates, Adam Fritz, Kristen Fisher, Brian Coner, Brian Paige, Brian Tirrell, Alex Berry, Jillian Walsh, Derek Luangrath, Ryan Mitchell and Carolyn St. Laurence.

Teachers Tracey Cassidy and Glenn Fisher and parent Kathy Coner accompanied the group.

Health clinics for seniors scheduled for December

The Visiting Nurse Association (VNA) of North Shore, Inc., has announced the December senior health clinic schedule for Danvers as follows:

Council on Aging/Senior Center — Friday, Dec. 22 and 29 from 12:30-2 p.m. Call the Council on Aging at 777-0001 for an appointment.

Hawkes Manor — Highland Manor — Apartments — Tapley Manor — Wednesday, Dec. 27, from 1-3 p.m.

These clinics are free and open to Danvers residents age 60 and above. VNA of North Shore community health nurses provide health assessments, blood pressure screeening, weight, pulse, heart and lung monitoring, health teaching, medication and diet discussion and diabetes testing and screening.

The clinics are funded in part by the Danvers Board of Health and client donations. Appointments may be made by calling the VNA of North Shore at 777-6100.

If schools are closed due to inclement weather, the clinics will be cancelled.

Danvers Herald 12/21

Building for all seniors

Dear senior citizens of Beverly: It was just great to read in Wednesday's Times just where we stand with our new center. I mean the one the senior citizens are building for the Beverly Hospital. Seniors, you can help out by volunteering your time to work in the office, in the bank, to assist in all aspects of fundraising. But don't forget, seniors, to bring a couple of desks, a conference table. Oh, yes, and office supplies. When you get the $500,000 collected, be sure to turn it in so, hopefully, we can have a community building used by all people, like Boy Scouts and many other groups. This building you will be collecting for, seniors, will be designed to fit the needs of the entire community. Isn't that just a wonderful senior center for us? Now that's exactly where we stand.

Bev Times 12/22

Beverly

THANK YOU LETTERS

Kindness shown at center

In this fast-paced world, we were deeply touched to see kindness, care, and concern manifested in our community.

For the past two months, we continuously witnessed the staffs of Beverly Hospital's Dennett Floor and its Kidney Dialysis Center providing expert care and genuine consideration to the patients in their charge. They dispense not only the best in medical care, but also personal attention and a true concern for human dignity. This professionalism comes from all – nurses, dietary staff, social workers, aides, transporters, and the many others too numerous to list.

We are grateful our loved one was in the hands of such an outstanding team of health care professionals, until his passing.

In particular, we wish to thank Drs. Joel W. Shelkrot, David J. Lebwohl, George P. Kacoyanis, Richard I. Einhorn, and Mayo Johnson.

We are also extremely grateful to the nurses, whose care and concern extended to all family members.

The Morrissey Family
Gloucester

BEVTimes 12/22

Bay Area VNA Annual Meeting

The Bay Area Visiting Nurse Association, Inc., of Beverly, formerly located in So. Hamilton, will be holding its 1990 Annual Meeting on Monday, January 8, 1990. This will be held at the newly opened congregate housing, Cable Gardens, in Ipswich. The Honorable Fredrick Berry will be our guest speaker and the meeting will begin promptly at 7 p.m. Senator Berry will be speaking on Massachusetts Health Care in the 1990's. A representative of the newspaper is cordially invited to join us. Please call 922-1722 to reserve a seat.

The Bay Area VNA is a private non-profit home health agency servicing 16 towns on the North Shore: Beverly, Boxford, Danvers, Essex, Gloucester, Hamilton, Ipswich, Lynnfield, Manchester, Middleton, Peabody, Rockport, Rowley, Salem, Topsfield and Wenham.

12/22 Man. Cricket

Health Clinics

The Visiting Nurse Association (VNA) of North Shore, Inc. has announced the January senior health clinic schedule for the town of Manchester as follows:

Congregational Chapel—Thursday, January 4 and 18, 10 a.m. to noon.

These clinics are free and open to Manchester Residents age 60 and over. VNA of North Shore community health nurses provide health assessments, blood pressure screening, weight, pulse, heart and lung monitoring, health teaching, medication and diet discussion, and diabetes testing and screening.

The clinics are funded in part by the Executive Office of Elder Affairs, Senior Home Care Services, and client donations. Appointments may be made by calling the VNA of North Shore's Gloucester office, 283-2020.

Note: If schools are closed due to inclement weather, the clinics will also be closed.

Medicare sends refunds to 27 million

Salem News 12/22

WASHINGTON (AP) — Nearly 27 million elderly people will get refund checks in February and April to offset overcharges early next year in their Medicare health premiums.

The Treasury Department on Thursday announced an unusual two-step process in which the government will overcharge the elderly on their Medicare premiums and then turn around and mail out refund checks.

Bush administration officials said the process was necessary because Congress repealed the controversial law providing Medicare catastrophic health benefits after computers were set up to make the deductions.

The Treasury plans to issue a refund of $10.60 in February to cover deductions of $5.30 in January and February. Another $10.60 refund will be issued in April to cover March and April deductions.

Nearly 27 million Social Security beneficiaries who have Medicare premiums deducted directly from their benefit checks will be forced to pay an overcharge of $5.30 a month from January through May. Officials said there was no way to adjust government computers quickly enough to halt the withholding of the extra premium for catastrophic coverage.

The law providing catastrophic health coverage was intended to prevent a serious illness from wiping out the finances of a retiree. But it sparked a revolt among senior citizens who complained that they already had sufficient coverage and did not want to pay the higher costs of the new program.

After President Bush signed the law repealing catastrophic coverage on Dec. 13, members of Congress urged the administration to come up with a plan to expedite refunds to retirees, arguing that a Treasury-favored proposal to make only one lump-sum refund late in the spring would penalize retirees on fixed incomes.

Beverly

The Region 12/20

Commission says no to senior housing

The Conservation Commission last week rejected plans for the $35 million Laurel Ridge senior citizen housing project. The unanimous decision prompted cheers from neighbors of the proposed Hale Street project. But John Good, vice president of Beverly Hospital, which is a partner in the project, said, "We'll take it to the DEP. We're not going to let this hold us up." The Planning Board originally approved the 39-acre project, but a group of citizens appealed the decision, saying the project didn't regard the neighbors or the environment. The Conservation Commission's rejection was based on insufficient information about proposed blasting, drainage, and pollution control.

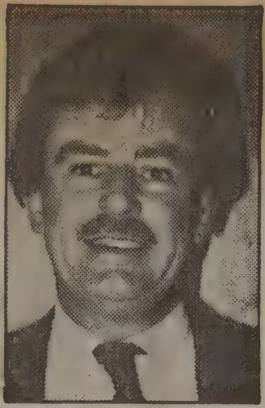
SENIOR HEALTH CLINICS: The Visiting Nurse Association (VNA) of North Shore Inc. has announced the January senior health clinic schedule for the Manchester is as follows:

Congregational Chapel – Thursday, Jan. 4 and 18, 10 a.m. to noon.

These clinics are free and open to Manchester residents age 60 and over. VNA of North Shore community health nurses provide health assessments, blood pressure screening, weight, pulse, heart and lung monitoring, health teaching, medication and diet discussion, and diabetes testing and screening.

The clinics are funded in part by the Executive Office of Elder Affairs, Senior Home Care Services and client donations. Appointments may be made by calling the VNA of North Shore's Gloucester office, 283-2020. If schools are closed due to inclement weather, the clinics will also be closed. Bev Times 12/22

FULLER



SULLIVAN

GILL

Daily Evening Item 12/21/89

AtlantiCare appoints department heads

LYNN — AtlantiCare Medical Center this week announced a series of appointments and promotions at the hospital.

Heading the list is James Sullivan, who was named director of support services. A 17-year employee of the hospital and former director of respiratory care services, Sullivan was selected from 25 applicants for the key position of directing all laboratory and support services.

In another promotion, Jay Fenton has been named acting director of mental health, replacing Dr. Anthony Raynes, who took a job at a Boston hospital.

Fenton, who served as assistant division director under Raynes, is taking over a department about to undergo a major expansion. As part of a consolidation plan recently approved by the state, AtlantiCare agreed to drop some services while adding mental health beds.

In a new appointment, Allan R. Fuller accepted the position of director of management information systems. The hospital's computer department faced numerous problems in the past, but is expected to improve dramatically with the recent purchase of a new IBM system, a hospital spokesman said.

Fuller, a Lynn native and Boston University graduate, has broad experience in the data processing field.

AtlantiCare also announced that John Donlin is serving as acting director of human resources while a search is undertaken for a vice president of human resources. The former director, Laura Militzer, recently resigned.

In other personnel news, Doreen Gill, a graduate of New York University, is the new director of medical records; and Linda Ferris Henlotter, R.N., M.S.N., has joined AtlantiCare as evening nursing supervisor. She is a graduate of Michigan State University.

Maria Messina, a registered nurse, has been named clinical supervisor at AtlantiCare Nursing Home in Revere. She has been a head nurse there for more than a year.

THE BOSTON GLOBE • FRIDAY, DECEMBER 22, 1989

AIDS treatment is ineffective, study says

ASSOCIATED PRESS

NEW YORK – An unpublished government study of 16 AIDS patients shows that bone marrow transplantation has so far been a failure as an AIDS treatment, one of the study's authors says.

In June, researchers at Johns Hopkins University in Baltimore said in a widely reported announcement that a bone marrow transplant combined with the anti-AIDS drug AZT might have eliminated the AIDS virus from one patient. The patient died before the researchers knew for certain.

'There are lots of us who haven't published our results because they've been so dismal.'

Dr. Ronald Mitsuyasu, University of California at Los Angeles

Interest in the Hopkins case was revived when it was reported again Tuesday in The New York Times.

On Wednesday, Dr. Clifford Lane of the National Institute of Allergy and Infectious Diseases said his study of 16 patients produced "16 failures." The researchers found "only transient improvement in immunity in patients getting AZT" and bone marrow transplants.

"There are lots of us who haven't published our results because they've been so dismal," said Dr. Ronald Mitsuyasu of the University of California at Los Angeles, who has handled four such AIDS cases. "All we can say is that it's an interesting concept and that additional patients will need to be studied."

12/22 BOSTON Globe

Human services people back Murphy

Globe State House Bureau

Lt. Gov. Evelyn Murphy's gubernatorial bid will be endorsed today by a number of human services advocates, many of whom have been critical of Dukakis administration policies in the past.

Kip Tiernan, director of Rosie's Place, a shelter for homeless women, and Alan Solomont, former president of the Massachusetts Federation of Nursing Homes, will join about a dozen other directors of mental health, child care and social work agencies to endorse Murphy this afternoon at the Arlington Street Church.

The endorsements are the latest in Murphy's recent efforts to capture support among liberal Democratic Party activists who have complained of feeling abandoned by the current crop of gubernatorial candidates. On Wednesday Murphy delivered a "holiday message" at the State House that defended government programs and state workers against the current wave of antigovernemnt sentiment.

In May, Tiernan led a group of health and human services agencies funded by Medicaid in blasting Dukakis for refusing to release appropriated Medicaid funds to the agencies. "Welcome to Calcutta on the Charles," she said at the time.

Residents: Brady's project too dense

Bev Times 12/22

By KEVIN WESLEY
Times staff

WENHAM – Neighbors to the Main Street property that real estate developer James Brady wants to turn into housing for the elderly last night said the 55-unit project was too dense for the residential community.

Approximately 25 people attended a public hearing at the First Church in Wenham to hear Brady's plans and to voice their objections to the proposal. The Planning Board voted to extend the hearing until next month and will conduct a site walk of the property in the interim.

Brady, who purchased the 7.8 acres of land on 116-120 Main St. in July, wants to construct seven new buildings and renovate the former Malkemus mansion for housing units for the elderly. But neighbors said building plans for the units were too dense.

Nancy Brown of Main Street, who serves as town accountant, asked that a 75-foot "greenbelt" be placed around the property line to preserve the open space in the area. She also suggested that a tennis court and swimming pool on the property be removed and that the plans be re-designed so that space between buildings is more expansive.

Brady countered that building plans and trees to be planted on the property line will assure Brown of privacy.

Peter Merry, a Salem lawyer representing the Tarr family, suggested fewer units be built, thus alleviating the density issue. The Tarrs, who own a golf course adjacent to the Malkemus property, are concerned that stray golf balls could enter the property.

But Brady said the monthly per unit cost will depend upon the number of residents in the project. The more residents occupy the units, the cheaper the cost for each.

Brady's lawyer, James Manzi, told the board that Brady planned to give $150,000 to the town to assist with state affordable housing regulations. The town would control the money, which might be used as a price reduction for five of the units.

But according to board Chairman Anthony Feeherry, state regulations, which require 10 percent of all state- and federally-funded housing to be affordable, are being revised. The revisions may allow private contributions such as Brady's to apply to affordable housing regulations.

Brady said he could not sell his units while uncertain about the changing state regulations, but agreed to give the town until April 1 to determine if the new regulations would apply.

If the regulations do not permit price reductions, the $150,000 donation will be applied to other affordable housing projects in town.

Statehouse deadlocked over fixing fiscal woes

Salem 12/22
News

A News staff report

BOSTON — 'Tis the season to be jolly, but Massachusetts lawmakers have little to smile about today as they depart for the long weekend with little hope of a speedy resolution to the state's fiscal woes.

As of Thursday, a House-Senate conference committee remained deadlocked in its negotiations over a plan to reduce the $825 million deficit through spending cuts and new, non-tax revenues.

The slow pace of the panel's work has been a source of frustration to House and Senate members, who had hoped to at least complete action on a plan of spending cuts before the holidays.

The delay has also complicated the efforts of legislative leaders and Gov. Michael S. Dukakis to build support for a tax package, which they say will be needed to close the estimated $500 million gap that will remain even after the spending cuts are implemented.

Most North Shore legislators said they were reasonably confident the logjam over the spending cut legislation could be broken by next week.

Holding up the conference committee deliber-

BUDGET
(Continued on Page 11)

said time was
tax hike.

" he said, but
e difficult to
rough its va-
a few days'
n) has got to
't know if he

rkildsen, R-
s "very skep-
y Gov. Duka-
najority sup-

ny reading,"

alsh, D-Pea-
g, "When I
nd read that
votes, I find

was no evi-
f legislators
or anti-tax

osed a tax
tention of

"screaming uncle" on the issue just because time was running out on the session.

Walsh said he would look at the tax issue only after the spending cut plan had been adopted, and even then, "I have serious reservations about a tax increase. I'm afraid it may do more harm than good."

Rep. Frances F. Alexander, D-Beverly, who has also opposed a tax hike, said she told Dukakis Thursday she would "think about" his latest tax plan, which she said includes increases in the gasoline, cigarette, alcohol and sales taxes, a broadening of the sales tax and a temporary hike in capital gains taxes.

She added, however, "I'm not going to do anything till we get the cuts put together."

Torkildsen, who remains firmly opposed to taxes, said if the spending cut plan goes through, it would leave a deficit of no more than about $200 million, based on Republican estimates. He said further cuts could make up the remaining gap.

Clark said he continued to feel taxes should be a "last resort." He said the public is still not confident that a serious effort has been made to root out waste.

Sen. Robert C. Buell, R-Boxford, agreed, and said a letter he received from a disgruntled state employee showed the public's perception was right. The employee complained six new workers had joined his division at a time when the state was supposed to have a hiring freeze.

But Sen. Frederick E. Berry, D-Peabody, said, "I don't think we can afford to cut anymore" beyond the reductions contained in the pending deficit plan.

Rep. Lawrence Alexander, said only by raising taxes would the state be able to rebound from the recent beating it has been taking from Wall Street bond rating agencies.

Home for pregnant teens opens early

Bev Times 12/22

By BRYAN ALEXANDER
Times staff

IPSWICH – Nancy Carter Harrington is experiencing a different type of Christmas rush this holiday season.

Her plans to open her home to six pregnant teen-agers in January have been rearranged. One pregnant teen-ager has already moved in and two more are on the way for the weekend.

The original plans included making the double condominium she and her husband Robert manage into one 22-room unit, before opening the doors to the home. But once word about the house got out, she was besieged with immediate requests.

Some of the teen-age mothers were living in home situations that were "unbearable," said Harrington. Others were homeless and were being sent to shelters.

"Well unfortunately you can't say, 'Gee, can't you wait a month?' " said Harrington.

This has left Harrington scurrying about, trying to make the house livable for her guests. With six teen-agers, her household will have 17 people living in the house, she said.

"We have people sleeping everywhere right now because we don't have all the beds and bureaus," said Harrington. "It'll be crazy, but it'll be fun."

It is characteristic of Harrington that she has opened the doors ahead of schedule at the cost of convenience. While single, enrolled full-time in college and holding down a full-time job, Harrington found time to take care of nine foster children and two of her own.

One of the children, Maria, was a pregnant teen-ager. Harrington was supposed to watch her for only 30 days, but Harrington's family did not want to part with her at the end of that time. She adopted Maria and was fired from her job.

Maria, who will join Harrington as the house accountant when she graduates from college in May, is the inspiration for the house, said Harrington. Her dreams have become a reality with what she calls Conwell House.

The girls she takes in have to abide by two rules, said Harrington. They have to be serious about their education and not taking drugs.

"I don't care if you're pregnant, I don't care if you're paralyzed, I don't care if you're 17 in the seventh grade. You have to go to school," said Harrington. "I know the reason my kids were winners and others weren't was because they didn't go to school."

The seriousness about education helps her screen out many of the applicants, said Harrington. One teen-ager she had taken in tested this seriousness by spending much of the school day in the smoking lounge. Harrington was forced to kick her out.

Without education, the women will just grow up have more children and live off welfare checks, said Harrington. Without education they will never set any goals and will never be inspired to make anything of themselves, she said.

Harrington has no problem with goals. Right now she needs to raise $20,000 for the Conwell House for necessary equipment for her guests. If that comes through than she will challenge herself even further with another task. She wants to start other programs such as the Conwell House for substance abusers or maybe babies with AIDS.

Contributions can be made to the Conwell House through the First National Bank of Ipswich. Conwell House will hold an open house on Jan. 21.

Keverian hopes for revenue bill before year's end

Bev Times 12/22/89

BOSTON (AP) – House Speaker George Keverian said he has not closed the door on a revenue package this legislative year, but he was not prepared to assert the votes necessary to pass new taxes were in line.

The Everett Democrat's comments came as House and Senate conferees continued deliberations on an estimated $350 million cuts-and-savings package.

"I'm making no judgments now," Keverian said. "We'll see what the conference committee does and when they do it."

Conferees said progress was being made but a final proposal may have to wait until next week, again raising questions about the likelihood of a year-end tax package.

Keverian's comments were not as optimistic as Gov. Michael S. Dukakis' assertion that the House votes necessary to pass new taxes are in line, but his views contrasted with the skepticism of other leading Democrats.

"If you were a betting man, I'd say the likelihood (of taxes) was not as great this year as it would be next year," said Rep. Angelo Scaccia, D-Boston, and one of six conferees working on the cuts package.

Keverian suffered a political setback last month when his proposed $1.2 billion revenue package was scuttled in the House.

Many leaders have said passage of new taxes to close the state's estimated $825 million budget deficit is largely contingent upon acting on the cuts and savings.

The committee is working to reconcile a $349.3 million Senate savings package with a House-approved plan valued at $300 million. It has announced only a handful of agreements, and made no announcements during the second and third day of deliberations. Work was to continue Friday.

Scaccia said controversial proposals on limiting the state's cost of public transportaion, Medicaid and state employee health insurance had not even been discussed at the close of business Thursday. The committee and its staff had focused on line-item budget reductions, he said.

He described the work as "boring and tedious."

"It's not something that we're trying to hide. We're just trying to figure out exactly where the House is and where the Senate is on every single item," he said.

Scaccia said it was possible the committee would not have a final package until early next week and indicated the committee would not work over the weekend.

12/21 BOSTON GLOBE

Hospital deaths found near norm in region

ASSOCIATED PRESS

WASHINGTON – All the hospitals surveyed in the three southern New England states reported death rates among Medicare patients for 1988 that fell within the predicted range for those facilities, according to a government report released Tuesday.

Hospital officials nonetheless complained that the statistics do not accurately measure the quality of care.

The favorable results of the report in Massachusetts, Connecticut and Rhode Island contrasted with findings indicating that 3.4 percent of the nation's nearly 6,000 hospitals had higher-than-expected death rates for Medicare patients and 32 – including six in Puerto Rico – had excess rates three years in a row.

At the other end of the scale, 51 hospitals, or 0.9 percent, were found to have Medicare death rates lower than projected. Applying the revised calculations, such hospitals numbered 48 in 1987 and 40 in 1986.

The information in the third annual report on Medicare hospital patient death rates, compiled by the Health Care Financing Administration, "is not a direct measure of the quality of care," said Louis Hays, the agency's acting administrator.

Although the statistics were based solely on admissions of Medicare patients, officials said they believe the rates are reflective of the general population. Medicare pays hospital and doctor bills for about 33 million Americans who are over 65, blind or disabled.

According to the report, none of the 156 hospitals in Massachusetts, Rhode Island and Connecticut have had death rates exceeding the predicted range during the three years the survey has been taken. One New England hospital came in below the range in 1988, compared to five in 1987 and one in 1986.

Several hospitals responded to the survey in written comments published by HCFA along with the statistics.

Bev Times 12/21

Cancer support group to meet

The Beverly Hospital Cancer support group for cancer patients, their families and friends will hold meetings on Tuesday, Jan. 9 and Tuesday, Jan. 23, from 7 to 8:30 p.m. This month's topic is "Coping When Things May Not Be Going Well."

This free support group meets in the hospital's Johnson Building, on the sixth floor. All meetings are open to the public. For more information, call 922-3000, Ext. 2710.

Check hospital staff before checking in

BOSTON GLOBE 12/21

THE KIND OF HOSPITAL A patient is admitted to may be a life-and-death issue, suggests a study in today's New England Journal of Medicine.

Osteopathic, public or for-profit hospitals tended to have higher mortality rates, while private teaching hospitals had lower rates, according to a new analysis of 1986 mortality rates published by the Health Care Financing Administration. But the Wisconsin researchers cautioned that their study does not imply that an individual hospital will necessarily have a higher mortality rate because of its structure.

The researchers found that the strongest factor in lower mortality rates had to do with staff training. Hospitals with higher percentages of physicians who are board-certified specialists and nurses who are registered nurses had lower mortality rates.

But spokesmen for national groups representing osteopathic and for-profit hospitals questioned the methodology of the study, saying some of the comparisons were unfair.

HEALTH SERVICES: Beverly Hospital and Bay Area Visiting Nurse Association provide a clinic designed to offer preventive health services to financially disadvantaged well children.

Bev Times 12/21

Any Beverly family who meets the financial criteria and has children between the ages of one month and five years is eligible for the clinic. The clinic services include an examination by a Beverly Hospital staff pediatrician, immunizations against childhood diseases and information on maintaining health.

For more information about the Well-Baby Clinic, call Beverly Hospital at 922-3000, Ext. 2307 or 2308.

BCH is advised to give doctors more support help

Panel cites threat to quality of care

BOSTON GLOBE 12/21/89

By Richard A. Knox
GLOBE STAFF

The resident physicians at Boston City Hospital this week won a major victory over City Hall and the Department of Health and Hospitals on a contract issue the doctors say is directly related to the quality of patient care.

The Massachusetts Labor Relations Commission, in an 18-page decision dated Tuesday, ruled that BCH residents may insist the city provide enough support personnel so the doctors don't have to carry messages, transport patients, draw blood for routine laboratory tests and install intravenous lines to give patients fluids and medicines.

If the doctors don't get such support, the commission said, they may be forced to provide substandard care for which they would be legally liable.

The residents had presented evidence that patients in hospitals without teams of specially trained nurses to install IV lines have higher complication rates. Dr. Estelle Harris, a second-year BCH resident, said the commission opinion "reiterates what we felt all along – that not having a guaranteed level of ancillary services jeopardizes patient care."

At a time when radical downsizing of BCH's staff and physical facilities is imminent, the city's freedom to set staffing levels is a sensitive issue for both management and labor unions at the hospital.

An eight-month impasse over the issue has stalled negotiations over the residents' contract and led last week to a three-day "heal-in" in which the doctors deliberately slowed down patient discharges, forcing diversion of new patients to other hospitals. The residents' contract expired June 30.

Residents and senior medical staff at BCH have expressed concern that the dispute would harm the institution's ability to recruit the most able residents. "This is the peak season for interviews and candidates come here and see signs all over the place about the city's attempt to cut back on ancillary personnel," one resident said.

Leaders of the BCH House Officers Association, which represents 270 physicians-in-training at the hospital, say they believe the advisory ruling is the first time an outside authority has said labor negotiations at public hospitals must include quality-of-care issues.

"We think it's a landmark decision for us," said Dr. Adam Burrows, the association's co-president. "This decision says you have to provide these services in a hospital, you can't expect doctors to function in a situation where they don't have the tools to do the job and they can be held accountable if something goes wrong."

Cynthia Denton, the city's director of labor relations, said the city "had indicated a willingness to talk about this issue prior to the commission's advisory opinion, so to a certain extent whatever the commission said is almost moot. However, we are interested in what the commission had to say."

Denton also said her preliminary reading of the opinion is that negotiating on support services is mandatory "only when those issues may affect residents' legal liability and licensing."

The opinion is not binding on the city. Nevertheless, it is a blow to

BCH, Page 52

mother was s
up Alicia.
Authorities h
ion gathered
ndicate that S
he mall and t
a random act
e reported
he verge o
old co-wor
d to spe
thout her
ed t

---

warns doctors d support

BCH

ontinued from Page 41

Boston Health and Hospitals commissioner Judith Kurland, who has maintained that contract language on ancillary service personnel was not a proper subject for the residents' contract because it inhibited management's prerogative to determine staffing levels.

Language protecting residents from having "regularly and recurrently" to perform duties of technicians, clerks, messengers or IV nurses dates back to 1973. However, Kurland announced last spring that she wanted such provisions dropped.

Kurland was not available for comment yesterday and Robert Marra, a BCH spokesman, referred inquiries to City Hall.

City Hall sought the state Labor Relation Commission's opinion, apparently in the belief that its position would prevail.

"We sought the opinion because we knew it was going to be an issue and we hoped it would shorten the negotiation process," Denton said. The House Officers Association has charged, on the other hand, that the city has tried to stall negotiations.

The commission acknowledged that government employers "must have the flexibility to manage" but said in the case of hospital resident physicians, "the provision of ancillary services is inextricably intertwined with the ability of house officers to provide medical care consistent with the standards established by their profession and the law."

The commission also said that city "has an obligation to negotiate about the subjects that directly affect the working conditions of the house officers," a statement that appears to reach beyond the question of doctors' legal liability.

Administrators skeptical of study's mortality statistics

Beverly Times 12/21

By Times staff

Although the death rates for Medicare patients at North Shore hospitals were average or below average in the the latest national study, local administrators were skeptical rather than jubilant.

Robert R. Fanning Jr., president of Beverly Hospital, said the statistics are very general and the way they are gathered has been changed every year, making comparisons difficult.

"The statistics ... were put together on the basis of different criteria. The criteria changed (from year to year) and the basis of the predictability (of death) even changed," said the hospital president.

In addition, the study is limited to Medicare patients, in effect, disregarding the remaining 65 percent of Beverly Hospital's business, he said.

The mortality statistics also include patients who die within 30 days of discharge, which is unfair and inaccurate, Fanning said.

Fanning was commenting on the third annual report on Medicare hospital patient death rates compiled by the Health Care Financing Administration.

The report cited more than 3 percent of the nation's nearly 6,000 hospitals for higher-than-expected death rates for Medicare patients and 32 – including six in Puerto Rico – had excess rates for three years in a row, the government reported this week.

Overall, deaths at Beverly Hospital were down, from 1,862 in 1986, to 1,749 in 1988. Last year, pulmonary disease claimed the most lives, 186, followed by gastrointestinal disease, 171; cancer, 142; and low-risk heart disease, 140.

As an example of how skewed statistics may be, especially with changing criteria such as a severity-of-illness index, Fanning pointed to the incidence last year of death from renal, or kidney, disease. Such disease claimed 16 lives.

"For instance ... we have the state's fourth-largest dialysis unit. One would think that we would have a higher mortality rate because of (that)."

Because of methodology used in

Statistics, page A10

of the statistics until they are modified to reflect the severity of illness.

"What we rely on is our own quality assurance program, which means checking to see that all our different quality standards are working effectively."

And Kathryn Chamberlain, an administrative spokesman at Salem Hospital, said the hospital isn't overly excited about being within the recommended mortality guidelines because no one is sure what they really mean.

rose from 10 percent of admissions in 1987 to 12 percent in 1988. The figure for 1986 was 10.9 percent.

While noting that the figures are still "within the normal range," Aronson said: "You have 60 odd percent of our patients over the age of 65. Statistically, we're going to have more deaths than other hospitals" with younger patients.

Aronson did not fault the methods used in compiling the statistics.

State comes through with housing funds

BEVERLY TIMES 12/21

By BRYAN ALEXANDER
Times staff

IPSWICH – After a brief halt, plans for the low-income and senior citizen housing projects slated for the area are once again in motion.

Last week the state Executive Office of Communities and Development (EOCD) granted the $4.7 million it had previously promised to the Housing Authority for the buildings. The money was held up in August due to the continuing state budget problems.

More than 260 projects throughout the state were reviewed to determine how the EOCD could continue with the spending cap caused by the money crisis, said Marsh Hertz of the EOCD. She said many projects were delayed, terminated or scaled down to size to accommodate the slimmer budget.

Housing Authority Chairman Sara O'Connor said the reason the Ipswich project was not touched is because of the past results the community has had with the state office.

"One reason is because of our track record," said O'Connor. "We've worked well with the state and the community. It's not luck. It's hard work."

Nearly $2 million of the package will be directed towards a 20-unit low-income family housing project set for Linebrook Road, said O'Connor. She will plan a public hearing for the controversial site of the project after the holiday break.

The meeting will serve as a forum for residents to air their grievances, said O'Connor. These grievances include traffic the buildings could cause and potential problems with the nearby Bull Brook. O'Connor said these issues have already been thoroughly discussed, especially the water issue.

"We've already researched it and there is no water problem," said O'Connor. "They'll have to have experts prove what we have already disproved."

Danvers attorney Alan Grenier, who is representing the group criticizing the site, said the money delay has given his forces time to load up their ammunition. They are now ready to defeat the current plans, he said.

"We've got our file all built up," said Grenier. "The clients are ready. We are fully girded for battle. We are ready."

Grenier said the evidence he has amassed could stop the project or, at worst, delay its completion by three years. He said he is "ready to fight this" for as long as his clients desire.

O'Connor said she hopes to have the channels clear so that work can begin by summer. Barring "any hitches" she hopes to have the project done in 1992.

The 44-unit elderly housing project set for Leslie Road was discussed publicly at a town meeting three years ago, said O'Connor. The building will go right to the design phase and will hopefully be completed in two years, she said.

The need for the buildings is pressing, O'Connor added. There is already a waiting list of 300 elderly people and 300 low-income families for the projects, she said.

SAL NEWS

SALEM

12/21/89

TO BEAR THE BURDEN

Mounds of fuzzy bears appears to overwhelm three youngsters at North Shore Children's Hospital after they were delivered by the Bank of Boston in the bank's second annual Holiday Bearlift. In an effort to cheer up children who can't be home during the holidays the bank distributed more than 2,200 of the toys to hospitals and shelters around New England. On hand for their arrival at North Shore Children's were, from left, Jonothan Tobin, 18 months; Andrew Darisse, 15 months, held by Director of Nurses Joan Borgiolo; and Daniel Darisse, 2, with Child Life Specialist Jean Machlan.

The Salem News

BOSTON GLOBE 12/21/89

Dukakis sees majority in House for tax package

By M.E. Malone
GLOBE STAFF

There are enough votes in the House to pass a "responsible" multimillion-dollar tax package, Gov. Dukakis said yesterday, adding that members should postpone their Christmas vacations until January to approve a tax increase next week.

"The time for discussion and debate and delay is over," Dukakis said. "We now know the major problem and what we have to do to fix it and this is the time to do that."

Dukakis has been lobbying for a tax increase before the end of the legislative session on Jan. 2 and has the backing of House Speaker George Keverian (D-Everett) in spirit but, according to sources, not

DUKAKIS, Page 34

■ More on the Massachusetts fiscal debate, Pages 34-36.

---

jority for tax package

ssion and debate
We now know the
what we have to do
the time to do that.
continue to delay
elay.'

KAKIS

votes they need. Keverian refused comment yesterday on the governor's statements.

House members close to the leadership have told reporters that the House is five to 10 votes shy of the number needed to ensure passage of a tax increase. Asked about that, Dukakis responded, "I respectfully disagree."

Among the factors House leaders are battling is general disagreement over which taxes to target for an increase and how much to raise them. Also, with lawmakers accustomed to a break between Christmas and New Year's, some House leaders fear the erosion of their pro-tax bloc if they try to launch a tax initiative next week.

Dukakis gave no specifics on what combination of taxes would be acceptable to the House, which has balked at increasing taxes further this year, and hinted that they may be considering taxes other than levies on sales, gasoline, cigarette and alcohol, all of which have been publicly discussed.

State House leaders have said that $500 million in additional taxes will be needed to close the $800 million deficit this year after the Legislature completes work on a budget-reduction plan expected to be worth between $300 and $350 million.

But, because January marks the halfway point of fiscal 1990 and all of the taxes known to be under consideration by the House are on purchases rather than income, it has been generally believed that a $1 billion tax increase will be needed to raise $500 million by the end of the fiscal year in June.

Yet Dukakis said yesterday that a $1 billion tax plan may not be needed, hinting that the House may consider combining "temporary" taxes and permanent taxes to reach the $500 million mark this year.

Sources said the House leadership is considering expanding the 18-month temporary income tax hike to include some categories of income exempted the first time around, such as rental income, bank account interest, pension money, alimony, and unemployment benefits.

Those income sources were excluded when the temporary package was passed in July because the House leadership did not believe it could win enough votes for the plan without the exemptions.

Meanwhile, House and Senate conference committee members spent another day in closed-door negotiations over the contents of a budget reduction plan that is a combination of budget cuts and nontax revenues.

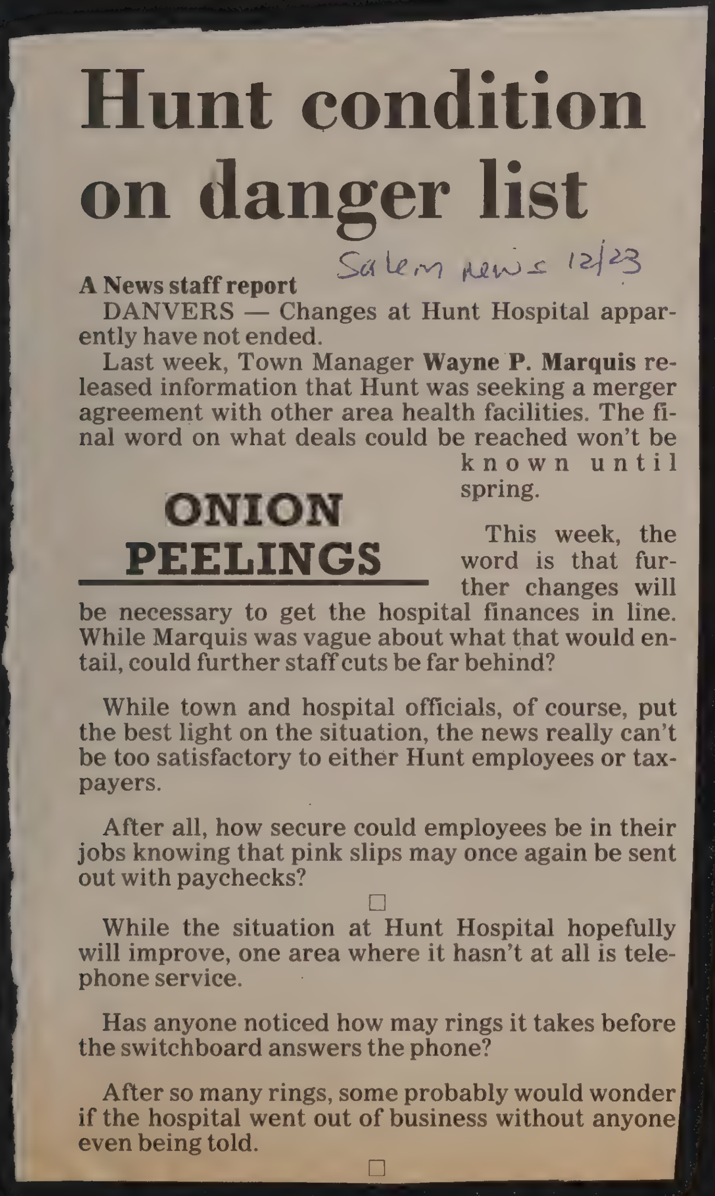
The House and Senate passed differing versions of the package over the last four weeks and a conference committee appointed last week to resolve the differences has made little progress after three days of staff meetings and three days of committee meetings.

Three times yesterday the conference committee planned to meet in public and three times members postponed further action. They are scheduled to meet again in public at noon today.

Every hour that passes without a conference committee agreement makes it less likely that Dukakis will get the tax package he says he wants by the end of the legislative session.

Beacon Hill's failure to resolve the $800 million deficit has already led one Wall Street rating firm to drop the state's bond rating to the lowest in the nation. Dukakis said he fears that delaying a tax package until next year will further erode confidence in the state's political will to solve its problems.

"It's just crazy to continue to delay and delay," he said.



Hunt condition on danger list

Salem news 12/23

A News staff report

DANVERS — Changes at Hunt Hospital apparently have not ended.

Last week, Town Manager **Wayne P. Marquis** released information that Hunt was seeking a merger agreement with other area health facilities. The final word on what deals could be reached won't be known until spring.

ONION PEELINGS

This week, the word is that further changes will be necessary to get the hospital finances in line. While Marquis was vague about what that would entail, could further staff cuts be far behind?

While town and hospital officials, of course, put the best light on the situation, the news really can't be too satisfactory to either Hunt employees or taxpayers.

After all, how secure could employees be in their jobs knowing that pink slips may once again be sent out with paychecks?

□

While the situation at Hunt Hospital hopefully will improve, one area where it hasn't at all is telephone service.

Has anyone noticed how may rings it takes before the switchboard answers the phone?

After so many rings, some probably would wonder if the hospital went out of business without anyone even being told.

□

HEARING, SPEECH SCREENING: Beverly Hospital's Center for Communication Disorders will conduct a free hearing and speech-language screening for area children at Cable Gardens. Appointments are required.

The screening will be held on Monday, Jan. 29, from 9:30 a.m. to 1:30 p.m., in Memorial Hall of Cable Gardens, 100 County Road, Ipswich. Cable Gardens is adjacent to the Cable Emergency Center.

The speech-language screening is being conducted for children between the ages of 2 and 6 years of age, and the hearing screening for children between the ages of 3 and 6. Children must be accompanied by parent or guardian.

The screenings will be conducted by Jane Cerullo, M.S., CCC-A, clinical audiologist and Wendy Levin, M.S., CCC-A, speech-language pathologist.

To arrange for an appointment, call the Community Relations Department at 922-3000, ext. 2480.

Forum on mental health planned

12/22 Peabody Times

PEABODY – In response to what he sees as an increase in pressures upon the elderly in our society, a J.B. Thomas Hosital doctor will speak at the Trask Senior Center in January.

Dr. Dubravko Kuftinec, who is on the J.B. Thomas Mental Health Clinic staff, will present the free forum.

"Often, the golden years are times of much emotional turmoil for seniors," he stated in a recently released press release. "Living on a fixed income may bring anxiety; loss of a spouse or friends often causes depression; failing health generates feelings of frustration and helplessness; and changing times and values place new stresses on seniors."

The session, which will be entitled "Coping with the Golden Years," is being sponsored by the hospital and the Peabody Council on Aging.

The Trask Senior Center is located at 75 Central St.

AtlantiCare wins 3-year accreditation

Daily evening item 12/23

LYNN – AtlantiCare Medical Center has been awarded a three-year accreditation from the Joint Commission on Accreditation of Healthcare Organizations.

The national agency gave AtlantiCare the longest possible accreditation after conducting an on-site evaluation during a week in August. The hospital's performance was measured against national standards of hospital care, a spokesman for AtlantiCare said.

"Our accreditation for the maximum allowable three years represents our present excellence in health care and our continuing dedication to providing our patients with the highest quality care," said Andrew J. Riddell, president of AtlantiCare.

The Joint Commission on Accreditation of Healthcare Organizations, founded in 1951, is governed by five national organizations: The American College of Physicians, the American College of Surgeons, the American Dental Association, the American Hospital Association, and the American Medical Association.

The accreditation award comes as AtlantiCare is consolidating services and shifting the major inpatient medical center from Boston Street to Lynnfield Street.

BOSTON GLOBE 12/26

Legislature poised to make cuts in budget, but obstacles remain

By M.E. Malone
GLOBE STAFF

Massachusetts House and Senate leaders, who for months have avowed their desire to reduce the state budget, are expected this week to make their first cuts in the $12 billion spending plan that was out of balance when they passed it in July.

But any progress made by the Legislature, which has been bogged down for the last week trying to resolve differences between their two proposals for reducing the budget, is expected to be overshadowed by the fact that the compromise plan will still fall about $500 million short of erasing the state's $800 million to $850 million deficit.

In addition, many business and community leaders are looking in the package for signs that the Legislature is willing to change the way it does business to keep the state's finances from being overwhelmed each year.

Late last week, members of several prominent business groups issued a joint statement in opposition to a tax increase to resolve the state's financial problems until more progress is made in reducing the overall size of state government.

"Massachusetts state government spending has been growing at an unsustainable rate," the statement began. "This rate of growth must be reduced to protect our state's economy."

Sources have said that Senate leaders intend to stand their ground on a series of "reforms" in five growing budget accounts that translate into scant dollar savings in the current year, but will free up more cash in future years.

But at least two of those proposals pose difficult political problems for House leaders. One would shift, from the state to member communities and riders, some of the costs of operating the Massachusetts Bay Transportation Authority. The House's top three leaders all live in member communities.

In addition, a Senate proposal would require all state workers to pay 10 percent of their health insurance premiums, a provision strongly opposed by employee unions who wield considerable influence in the House.

"No doubt, this is a tough one for us," said a member of House Speaker George Keverian's leadership team, who asked not to be named. "No matter what we do, we anger someone and that's not the kind of position anyone likes to be in."

In addition, once a budget-reduction package is agreed upon and signed by Gov. Dukakis, the pressure to pass new taxes is expected to be again applied to House members. The Senate has shown some support for new taxes to close the remaining $500 million deficit, but the House has been reluctant to go along.

A medical-care model – 1

BOSTON GLOBE 12/26/89

With curious eyes, American business and labor and Congress are peering across the border at Canada's national health insurance system. Despite its proximity, few Americans know much about their northern neighbor's medical plan. It is time they did.

Huge problems afflict the funding of health care in the United States; problems expected to dominate political debate as well as labor-management negotiations in the 1990s; problems that threaten the solvency of private insurance carriers and the stability of health-care delivery..

Neither American workers nor employers can afford the constant rise in health insurance premiums; premiums jacked up because they include hidden payment of medical bills for workers and nonworkers who lack health insurance.

The cost of the gigantic government medical programs – Medicaid for the poor and Medicare for the elderly – rises yearly even though the coverage is meager for many expensive aspects of illness – such as medicine or prolonged sickness. Nursing home bills are especially burdensome. Before government will pay nursing home bills, Americans must impoverish themselves.

Worst of all is that 37 million Americans – 24 million of them with jobs – have no coverage, private or governmental. Another 60 million have inadequate coverage.

Canada has eliminated these problems. Step by step since 1947 when the province of Saskatchewan enacted the first plan to cover hospital bills, Canada has fashioned a unique national health system: a private system of care, paid for with tax money.

Health care is guaranteed everyone in Canada – citizen or not – within three months of residing there. Coverage is comprehensive. It pays for all doctor's office and clinic visits, including psychiatry; all hospital services – inpatient, outpatient and diagnostic studies; and home care and nursing home care. All that is required is that the care be medically necessary.

Provinces may add services not covered by the national plan, such as prescription drugs, cosmetic surgery, dental care, prosthetics and physiotherapy. Most do, in varying degrees. Unlike European plans, Canadians choose their own doctor. Doctors must accept the fee that they and the government set for physician services. They cannot ask patients to pay more.

Medical-care providers must be nonprofit to participate in the plan. Hospitals are privately operated but publicly funded.

When the plan was established in 1971, half of the cost of health care in Canada was paid by the federal government and half by the provinces and territories. The plan was expanded and consolidated in 1984.

Today, federal funds are allocated to the provinces in amounts based on growth in the GNP and on population changes. The formula adjusts for inflation and transfers more money to less wealthy provinces with smaller populations to provide comparable medical care everywhere.

The "most striking feature of the Canadian experience," says Dr. Robert Evans, a health-policy analyst at the University of British Columbia, is its universal coverage at substantially lower costs than in the US. Costs are not lower because Canadian doctors earn less, as is often alleged, than American doctors. In 1986 their gross average was US $110,000.

American doctors have a higher average gross income, but their net is similar because their costs, especially for malpractice insurance, are high. In Canada there is no basis for large malpractice awards because if someone is injured medically – paralyzed, perhaps – lifetime care is paid for.

One significant reason why Canada delivers more health care for less is that it has minimized bureaucratic red tape and administrative expense. All plans are operated by a nonprofit public authority – the provincial government or its agency. Administrative costs amount to only 2.5 percent of Canadian health expenditures; in the US they consume 8.5 percent.

No forms are needed to see if a procedure is covered; they all are. Eligibility need not be proved or monitored; everyone is covered. No bills are sent to patients; no one pays. No money is spent chasing uncollected bills; there are none. There is no commercial overhead for insurance, no multiple sets of executives, no money spent to promote competing plans.

Canadians pay directly for almost nothing related to health care. In only three provinces is a premium of $20 to $60 a month still collected from workers or a token fee charged upon entering a hospital. Virtually all of Canadian health care is prepaid with taxes; nearly every dollar goes to medical care.

To Americans, perhaps the most amazing facet of the Canadian system is that hospitals do not waste time, money and manpower preparing detailed bills to receive government payment. A hospital's operating costs are paid out of an annual budget it negotiates with the provincial ministry of health.

"We negotiate a year's budget with the government, and we receive 24 checks a year to run the hospital. We don't fill out bills for anybody – not the patient, not the government," says Victor Stoughton, head of Toronto General Hospital and a former official at Brigham and Women's Hospital in Boston. In patient-care costs – not research or construction – he calculates that two Toronto Generals could be run for the price of one Massachusetts General Hospital.

In the US, hospitals spend billions every year processing government and private insurance forms containing thousands of variations in coverage. Administrative costs for health care in the US are nearly $100 per person; in Canada they are about $20. There, only doctors submit simple claims to collect their fees.

"What's going on in the American health-care system is insanity, it's such a patchwork," says Dr. Sydney Lee, visiting professor of health policy at Harvard Medical School and formerly of McGill Medical School in Montreal. "We've got enough money in the system to pay for basic health care for everyone now. We need to allocate it differently. We could redirect $50 billion to $100 billion a year into health care that is now spent determining and monitoring eligibilty and processing claims for a multiplicity of coverage. We're in the business of producing bills; they're not. That's a major difference."

NEXT: Lessons for US health care.

Elder office develops health plan

Bev Times 12/28/89

By **PAM DERRINGER**
Times staff

Every time Paul Lanzikos talks to his grandmother, she brings up her fear about the cost of nursing home care.

"Elders are really concerned," said Lanzikos, the Beverly resident who has been the state's Secretary of the Executive Office of Elder Affairs since 1987. "Paying for long-term care is a real concern both from the practical aspects of paying for the services and from a psychological fear and sense of insecurity that our haphazard system promotes."

Senior citizens are paying more of their own money for long-term health care now than they were before Medicare was started 30 years ago, he said.

But Lanzikos hopes his department soon will be able to offer a remedy that will provide long-term health care and peace of mind to senior citizens who share his grandmother's fear about paying for nursing home care, which can cost at least $3,000 a month.

The plan is a joint public-private pilot project offering participants supportive skilled health services in their homes or a nursing facility as long as they need it – at affordable rates, said Lucinda O'Loughlin, who has been working on the project.

The concept was developed by the legislative Special Commis-

Program, page A8

Sheri Lallas photo

Secretary of the State Office of Elder Affairs Paul Lanzikos, left, discusses the details of a pilot project his office is proposing with Beverly Council on Aging counselor America Gregor, Assistant Director Kimberly Adkins, Chairman A. Joseph Sullivan, and Executive Director Winifred Sanborn.

Blue Cross requesting drastic Medex rate hike

By **PAM DERRINGER**
Times staff

The federal government's repeal of its catastrophic health insurance policy for the elderly has had an immediate and drastic effect.

Blue Cross/Blue Shield has requested a 78 percent rate increase for its Medex policy, an insurance program that supplements the coverage of the federal Medicare program, said Robert Mollica, assistant secretary of the state Department of Elder Affairs.

The increase may mean that some of the 300,000 Massachusetts residents currently subscribing to Medex will not be able to afford the increases and will have to go without the coverage.

The Catastrophic Coverage Act, signed into law by President Reagan in July 1988, was billed as the largest expansion of the Medicare program in history. The program, which was to go into effect in 1990, would have limited expenses of Medicare recipients to $592 for the first day's stay in the hospital and to $1,370 other medical expenses.

But the law was protested by the affluent retirees who faced income tax surcharges of up to $800 a year. Lawmakers passed proposals calling for the act's repeal earlier this year and President Bush officially signed the act out of existence on Dec. 13.

Prior to the repeal of the Catastrophic Coverage Act, Blue Cross/Blue Shield had requested a 34 percent increase for the Medex coverage, based on the assumption that the Catastrophic Act would be reducing the growth in future claims, Mollica said.

Blue Cross/Blue Shield said it needs the proposed 78 percent increase because it was losing a lot of money on Medex and its other insurance lines. The state Division of Insurance began hearings on Blue Cross/Blue Shield last Wednesday and is expected to issue a decision on the rate request soon, Mollica said.

Medex, page A8

Medex rate hike sought

ontinued from page 1

If the catastrophic health care plan had gone into effect as proposed, elderly people who were healthy or financially comfortable might have elected to discontinue their Medex policies, Mollica said.

Although residents on Social Security have been seeing deductions from their checks for Catastrophic insurance since last January, Mollica said he does not believe they will receive a refund for the extra payments made in 1989.

The Catastrophic premiums were scheduled to increase again on Jan. 1 and the government will not b able to halt the rate hike scheduled for 1990 unti April or May, Mollica said.

In the spring, the government will halt the additional deductions for Catastrophic from Social Security and issue refund checks for the payments already deducted in 1990, he said.

• Program would pay costs

Continued from page 1

sion on Elderly Health Care that started its work prior to the federal enactment of catastrophic health insurance for the elderly, O'Loughlin said. (The federal insurance program has since been repealed. See story below.)

The insurance would provide non-cancelable private coverage for supportive home services or residential nursing care for a specified number of years, depending on how much of a premium the insured can afford, said Project Director Virginia M. Felice.

The program will be offered initially to 7,500 people between the ages of 65 and 69 and 2,500 working-age people, starting as early as next spring, said Felice. Coverage would go into effect immediately and applications would be accepted until the maximum number is reached, she said.

The premiums would be on a sliding scale, with the full premium providing privately paid lifetime protection and lower premiums for shorter periods, Felice said.

The insurance would pay 80 percent of the cost of services, with the anticipation that the average monthly social security check (now $540) would be enough to pay the balance without dipping into savings, she said.

Following the expiration of private coverage, the insured would be switched automatically to the state Medicaid program, Felice said.

Collectively, the public-package offers lifetime coverage for long-term care, she said.

A key part of the plan is federal passage of a waiver that would prevent Medicaid from issuing liens against the homes of people enrolled in this program after they have exhausted the privately funded portion of their long-term benefits, Felice said.

The U.S. Senate approved the legislation last year and the House of Representatives may pass it early next year, she said.

By limiting initial enrollment to an age group that would not be expected to draw significantly from the benefits for another 15 to 20 years, a pool of reserves will be created that will be able to pay the claims when they are needed, said O'Loughlin.

Massachusetts has applied for a $1.5 million grant from the Robert Wood Johnson Foundation to help pay for the start-up costs during the first three years of the pilot study and should have an answer early next year, Felice said.

The state is in the process of evaluating three proposals from organizations seeking to participate in the project and hopes to choose one or more of them by the end of January, O'Loughlin said.

Responses were received from John Hancock Insurance Co., AMEX Life Assurance Co. and Fallon Community Health Plan, a health maintenance organization in Worcester, she said.

Proposals from health maintenance organizations were encouraged because the state wants to see if there is a way to offer a package of conventional medical coverage and long-term care, O'Loughlin said.

In writing the specifications, the state's goal is to be able to offer the insurance to a broad mix of people, including those who have a higher likelihood of requiring long-term care, Felice said.

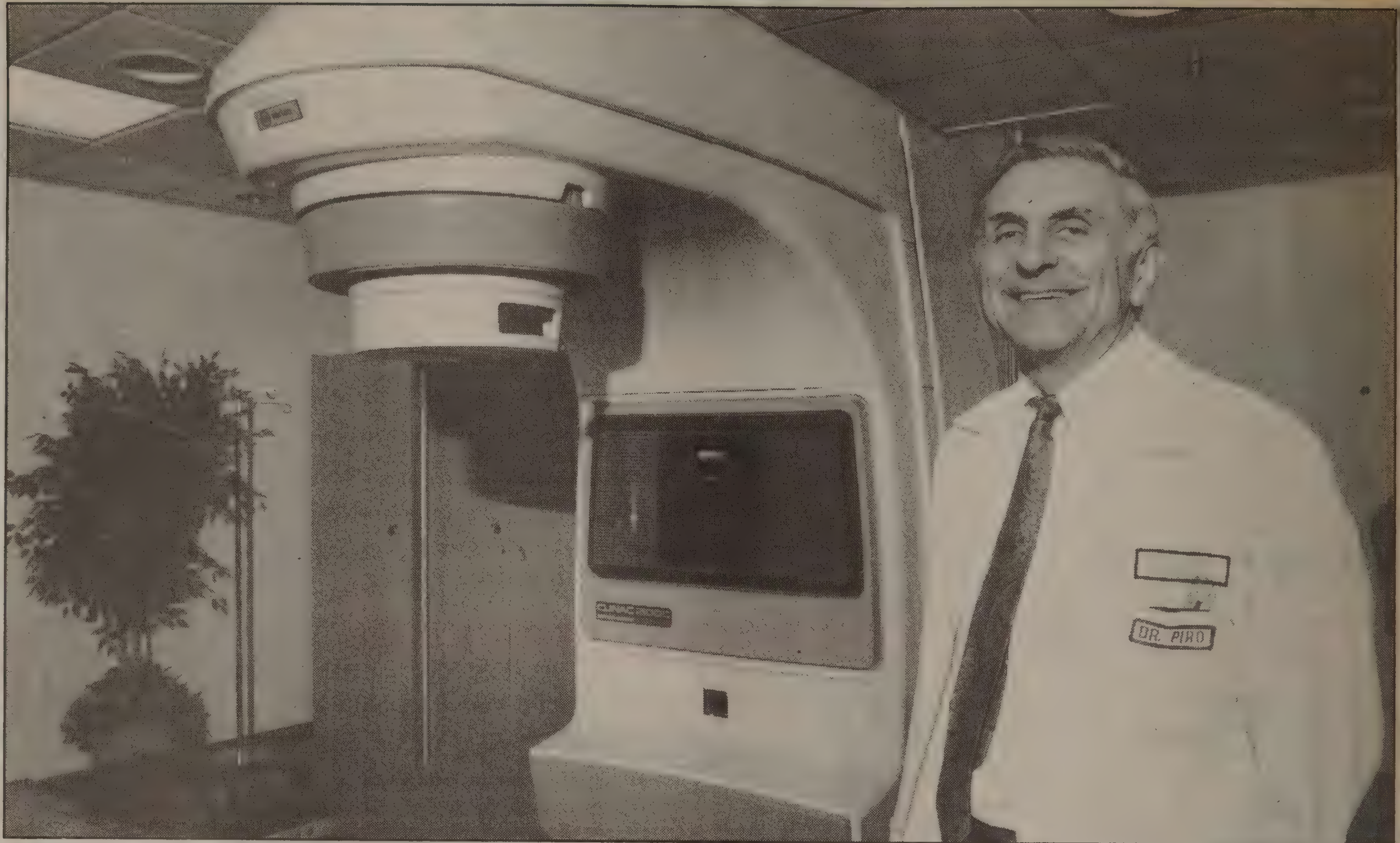
If the project is successful, the program could be opened up to all individuals in that age range, she said.

Although the state doesn't anticipate enrolling people in their 70s and 80s in the program, the state recognizes that the need is there, Felice said.

Unless the state achieves its goal of providing long-term care for all the people who require it, the problem hasn't been solved, she said.

Additional information on the pilot project is available by writing to the Executive Office of Elder Affairs Long Term Care Project, 38 Chauncy St., Boston, Mass. 02111.

Times reporter Sheri Lallas contributed to this story.



Dr. Anthony J. Piro inspects the treatment room at the center/for radiation oncology in Peabody. *The Salem News*

12/26

Salem News

Hospitals teeter on financial brink

Administrators blame government for imposing restrictions on charges

A News staff report

No one in the health care industry will deny there is keen competition among area hospitals, but hospital officials deny that competition is the principal reason smaller hospitals are closing and facing serious financial problems.

Administrators at two of the areas larger hospitals see outside forces as the main reasons hospitals of all sizes have to deal with financial problems and that some of the smaller ones have not been able to survive.

Michael H. Geaney, president of Salem Hospital, sees the attitude of the federal government in setting fees for patients as the main reason many hospitals are facing financial crisis.

He said federal officials routinely deny hospitals about 3 percent of their real inflation costs and that can mean several hundred thousand or even millions of dollars to a hospital.

John L. Good, vice president for community relations and development at Beverly Hospital, sees the rise of health care management programs as a major factor in hospital problems. He also said larger hospitals have some definite economic and service advantages which work against smaller hospitals.

Geaney said the Medicare situation is particulary critical on the North Shore, because it has a larger percentage of older residents than other areas of the state. He said 45 percent of the patients admitted to Salem Hospital depend on Medicare payments.

Good said the management care programs known as HMOs appeal to the younger portion of the population and work to control premium costs by limiting the amount of time people spend in hospitals.

"Their goal," Good said, "is to keep people healthy and out of hospitals and they are doing a good job. They encourage people to have their ailments treated in a physician's office and some of them even offer memberships in health clubs."

He and Geaney agree that health care managememt programs have had two limiting effects on hospitals. They reduce the number of admissions as well as the number of days people spend in a hospital when they are admitted.

The administrators said they see a direct relationship betwen the closing of the Mary A. Alley Hospital in Marblehead and the Cable Memorial Hospital in Ipswich to the attitude of Medicare officials and the rise of managed health care plans.

Good said only a few years ago, the average stay in a maternity ward was four days and that has now been lowered to two days, due in large part to the restrictions on hospital stays imposed by the management programs.

Geaney noted that HMOs now pay medical bills for about 25 percent of the people on the North Shore and that they have had a signicant impact on health care.

The hospital officials also said that as the health care industry advanced technologically, there has been a gravitation to larger hospitals by patients, doctors and the people who operate the health management plans.

When a hospital has a certain number of beds," Good said, "it can offer its patients more technical services and offer them on a 24-hour basis. That appeals to doctors and patients. It has led to more people looking to the area's larger facilities when they require hospitalization."

Geaney said larger hospitals are better able to control their costs than smaller facilities.

"I refer to it as critical mass," he said. "When a larger hospital has to cut costs, it can look to 50 departmemts that employ hundreds of people. A small hospital does not have that many departments and many of their departments employ only one person.

Another major factor in hospital finances, according to Geaney is bad debts. He noted that as a not-for-profit corporation, Salem Hospital has to admit people for treatment regardless of their ability to pay. He said bad debts are having an increasing effect on the health care industry and he feels the situation will continue.

Good said as doctors and their patients looked to larger hospitals to meet their needs, the doctors found they could treat their patients more efficiently if they could see them in one hospital rather than making a swing to a number of facilities. He cited a physician with an office in Ipswich who a few years ago would make the tour of the Cable Memorial, Beverly, Anna Jaques in Newburyport and Hunt Memorial Hospital in Danvers in order to see all of his patients.

Today, according to Good, the doctor admits the majority of his patients to Beverly Hospital and can see them with only one visit.

TO YOUR HEALTH

1990

12/26

Salem News

Changes in how medicine is practiced in the '90s will likely affect Salem Hospital and Shaughnessy Rehabilitation Hospital, as they will medical institutions throughout the United States.

The Salem News

New procedures cut hospital stays short in '80s

This is the first in a series of articles looking back at the 1980s and ahead to the 1990s on various issues affecting North Shore residents.

A News staff report

The traditional, lengthy hospital stay has been cut dramatically short in the 1980s, when out-patient services, aided by a steady stream of technological advances, have virtually replaced it.

"Before when you said you were sick the doctor would tell you to come into the hospital for tests," noted Frederick Cole, a spokesman for AtlantiCare Hospital in Lynn. "Now you don't come in until you've had them."

Cole also pointed to operations such as those for hernias and cataracts, which used to require a one- to two-week hospital stay but now are one-day procedures.

In Lynn, where two smaller hospitals were merged to form AtlantiCare, the total number of in-patient beds was reduced from 511 to 300. When David Stansberry, the administrator of Hunt Memorial Hospital in Danvers, talked of possible future renovations of that hospital, he said they would reflect the trend away from in-patient care.

In some medical situations, doctors say, technological developments have removed the need for surgery altogether. Biopsies, for example, can be performed with needles.

Lithotripsy, a procedure which dissolves kidney stones with sonic waves, is another major breakthrough of the decade.

Diagnosis, an important tool of early and even preventive medical care, has been greatly improved by the maturation in this decade of Computer Axial Tomography, also known as the CAT scan, according to Dr. Courtney Neff, the head of radiology for Salem Hospital.

HOSPITALS
(Continued on Page 7)

Researchers zeroing in on fearsome killer

A News staff report

The Salem Hospital Center for Radiation Oncology heads full-throttle into the 1990s with a range of new discoveries and a greater understanding of cancer.

"My hopes are that they'll have enough breakthroughs to cure more patients," said Dr. Robert R. Halperin, director of the oncology unit and associate chief of medicine. "I see Salem Hospital with a much more agressive screening program."

Tumor markers — special blood tests used to determine whether cured cancer patients may have a recurrence — are a major advancement in the screening area. "We could tell who is at risk of getting cancer or a reoccurance long before we could detect it any other way (by lump or X-ray)," he said.

The advancement of genetic engineering techniques will also

CANCER
(Continued on Page 6)

(Continued from Page 1)

The cat scan and a newer procedure, Magnetic Resonance Imaging, allow radiologists to see soft and deeply lying lesions not detected by the X-ray.

"We are seeing exquisite images in the 1980s of the body and cross sections," Neff said. "This has continued the revolution in neurosurgery, diagnosis and other types of surgery."

MRI allows even more complex perspectives of the body, particularly in joints, the spinal cord and the brain, where it can detect hidden evidence of diseases such as multiple sclerosis early on.

Ambulances are also the setting for sophisticated out-of-hospital care in this decade, said Cole, who noted that "it's no longer how fast does the ambulance get you to the hospital, but how fast the ambulance gets to you."

In terms of treatment advances, Salem Hospital this year opened a $3 million state-of-the-art radiation oncology center, which features a linear accelerator offering a range of radiation treatment for cancer patients, including the highest dosage levels.

As a result of these advances in care, hospitals see a greater concentration of "sicker" people, staff say, including a increasingly elderly population. As Rick Posniak, the spokesperson for the Massachusetts Hospital Association, said, commonwealth hospitals are seeing more people over 75 years old, who are kept alive longer by preventive medicine but whose medical problems often require intensive hospitalization. At the J.B. Thomas Hospital in Peabody, patients over 65 years old now comprise 61 percent of all admissions, up from 51 percent a decade ago, according to Sheldon Aronson, the president of the hospital.

Urban hospitals in cities such as Lawrence and Lowell are seeing increases in the number of victims of violent crime who have "less insurance than we'd like," said Posniak. He cited cutbacks in state and federal health insurance payments for poor and elderly patients, and the resulting deficits at 75 percent of Massachusetts hospitals as the "most startling development" of the decade.

AIDS patients, formerly treated only at what he called teaching hospitals with specialized staffs, are now spread throughout the hospital system where doctor and nurse teams provide "good quality" care, Posniak said.

What it will cost

BEVERLY — Room rates at Beverly Hospital rose an average of 8 percent per year during the 1980s.

John L. Good III, vice president for community relations and development at the facility, said that although the increases may seem high, they are probably lower than those at other area hospitals and definitely less than the increase in rates at medical centers and teaching hospitals in Boston.

He said that although salaries played a major role in the increase in room rates, he feels that the dramatic advances in technical equipment were the main reason the rates rose so steadily.

Here's how per-day room rates at Beverly Hospital have changed over the past decade:

Oct. 1, 1978: Semi-private room, $121; intensive care, $290.

Oct. 1, 1983: Semi-private, $179; intensive care, $375.

Oct. 1, 1989: Semi-private, $315; intensive care, $690.

Here's how per-day room rates at Salem Hospital have changed over the past decade:

Oct. 1 1978: Semi-private room, $135; intensive care $350

Oct. 11983: Semi-private room, $220; intensive care $565

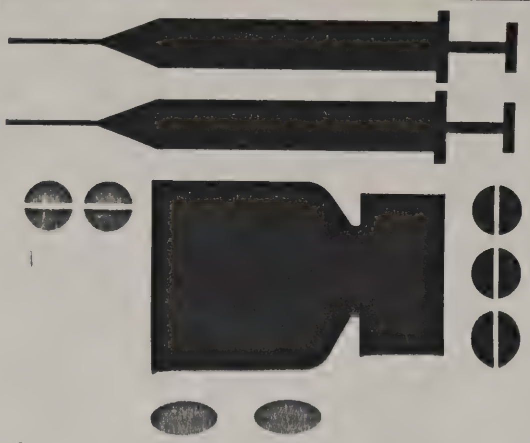
Oct. 1 1989: Semi-private room, $380; intensive care $885

Salem Hospital spokesman Jean Connor said, "These are gross rates, they are not reflective of rates charged to individual insurance companies.

"Salem Hospital is the only teaching hospital north of Boston that cares for more seriously ill patients." This she said is a factor in the increase of room rates.

Thru interest

DRUG WATCH/NURSING DECISIONS



Ribavirin: A Hazard to Health Workers?

Will ribavirin (Virazole), a miracle drug for children infected with respiratory syncytial virus (RSV), harm the workers caring for these children? The drug is administered by a small-particle aerosol generator into a tent, croupette, or hood.

Pediatric nurses, aware that ribavirin is teratogenic in animals, are concerned. They can see the white dust settle on surfaces. Is it also settling in their lungs?

In a 1987 study of 19 nurses exposed to ribavirin, the drug was not found in their blood or urine.[1] A more recent study at Montreal Children's Hospital carefully measured the amount of ribavirin in the air as well as in the fine white powder the aerosol leaves as it settles. The studies were done in isolation rooms under negative pressure, where the air was exhausted to the outdoors. Three simulations were done with a croupette and three with a hood.

The investigators calculated an average caregiver exposure of 9.1 micrograms per kg of body weight when croupettes are used and 2.4 micrograms per kg when hoods are used. Applying a hundred-fold safety factor, the researchers suggest the safe human exposure load is about 1.0 *micrograms* per kg of body weight per day, if based on toxicity in rabbits, or 1.2 *milligrams*/kg/day if based on toxicity in baboons. There is a dilemma about which animal data should be the standard. However, using the rabbit standard, caregivers could be exposed to 2 to 9 times the safe levels.

Thus, when ribavirin is being administered, the Montreal researchers suggest that caregivers wear NIOSH-approved respirators that screen out toxic dusts and mists. These respirators look like the masks worn by painters. They are expensive, so at Montreal Children's, the primary nurse wears one per shift, then discards it. And, though skin absorption is probably low, the Montreal researchers suggest wearing gloves and bagging laundry and tagging linens as chemically contaminated, thus alerting laundry personnel who routinely shake linens before washing them.

[1] Rodriquez, W. J., and others. Antimicrobial agents. *Chemotherapy* 31:1143–1146, 1987.

[2] Gladu, J. M., and Ecobichon, D. J. Evaluation of exposure of health care personnel to ribavirin. *Journal of Toxicology and Environmental Health* 28:1–12, 1989.

Why Not FAX Orders to the Pharmacy?

TIMESAVER

If your hospital hasn't yet jumped on the digital facsimile (FAX) bandwagon, consider how long it takes a new drug order to get from your unit to the pharmacy.

Beverly Hospital in Beverly, Massachusetts, eliminated 60 telephone calls per day and 14 trips to the pharmacy and reduced turnaround time from 3 hours and 15 minutes to 1 hour and 47 minutes. With its unique ability to transmit a drug order with the physician's signature affixed, FAX machines could reduce copying errors as well as save time for hospitals that have not yet put medical prescriptions on computer.

Salodof, J., *Hosp.Management Review,* August 1989.

Zero Medication Errors? What's Realistic?

Medication errors are a reality of patient care. Medicare regulations for skilled nursing facilities state that the error rate must not exceed 5 percent. The American Society of Hospital Pharmacists has further identified and categorized medication errors to provide a structure to examine and control them. These error categories include: omission, unauthorized drug, wrong dose, wrong route, wrong rate, wrong dosage form, wrong time, wrong preparation of a dose, and incorrect administration technique. A majority of the studies show the error most frequently recorded is the error of omission, followed by errors of wrong time and wrong dose. Most errors can be tracked back to incorrect copying. Pharmacists also make more errors as their workload rises.

The issue of error severity generates opposing opinions. Some subscribe to the principle that an error is an error regardless of its severity or its consequences. Others use a point system to rank errors according to their severity. Hospitals using unit dose systems report error rates from 0.6 percent to 3.5 percent. The rates are higher (from 5.3% to 20.6%) where unit dose systems are not used.

Tullio, C. J. The problem of medication errors. *Hospital Pharmacy Times* Aug. 1989, pp. 7–13.

Rose/Oram

H

Eating reasonably

BEVERLY — Noting that the period between Thanksgiving and New Years has become the "great American eating season," personnel at Beverly Hospital are offering suggestions on how to avoid a seasonal weight gain.

Holday eating, they say, tends to be damaging to weight control, because it is often high in fat and fats are more easily converted to body fat than proteins or carbohydrates.

As a means of controlling fat in the holiday diet, the hospital officials recommend that people who bake reduce by one-third to one-half the amount of fat called for in recipies. They suggest substituting yogurt for sour cream or mayonaise, finding fat-reduced cheeses and low-fat milk. Weight conscious cooks should read labels and select products with reduced fat content.

Reading labels properly requires going beyond the large lettering that says low fat or no cholesterol to nutritional information. People should look for foods that have less than three grams of fat per serving. The number of grams of fat multiplied by nine will give the cook the numner of fat calories in a food. Fat calories are to be avoided more than regular calories and the hospital personnel say to avoid all foods with more than 50 percent fat.

The hospsital people's suggestions call for choosing holiday indulgemces carefully. They said a person having dinner with a friend who makes the best cheese cake in the county should not waste calories before dinner by munching on chips or dips.

EFLY Sal Ev News 12/26

damaged school.

Support group to meet

BEVERLY — The Beverly Hospital Cancer Support Group for cancer patients, their families and friends, will meet Tuesday, Jan. 9, and Tuesday, Jan. 23, from 7 to 8:30 p.m., at the hospital's Johnson Building.

Hospice care seeks to comfort patient and family

BEVERLY — Hospice, an area of health care little affected by technological advances but progressive in philosophy, has made an appearance on the North Shore at the end of the decade.

This past September, the first licensed and certified hospice organization, Hospice of the North Shore Collaborative Inc., opened in Beverly. Among the group's many functions are home care for the terminally ill and support for their families, short-term in-hospital care to help control pain and symptoms, and respite care.

Diane Stringer, the executive director of the organization, described hospice as "home care for patients for whom aggressive medical treatment is no longer appropriate.

"It's a view that the patient and the family are the unit of care, and that by coordinating nurses, social workers, physicians and pastoral counselors under one agency, we can take care for their physical, emotional and spiritual needs," Stringer added.

Such care for the terminally ill and their families has been described by hospice advocates as both a compassionate and cost-efficient way of preserving the dignity of the dying, as it attempts to minimize hospital stays.

The concept was given an official boost in 1983, when the U.S. Congress passed a bill making hospice care reimbursable by both Medicaid and Medicare. Most private insurers, Stringer said, have followed this lead.

"Hospice really has come into its own in the 1980s," she said, "and is now recognized as a legitimate way to care for people with terminal illnesses."

Still, the movement is small in Massachusetts compared to that of socially progressive places such as many of the European countries, noted Richard Posniak, the spokesman for the Massachusetts Hospital Association.

"We see it as an integral part of the health care puzzle, but there are not enough hospice facilities operational," Posniak said.

The North Shore Hospice, which grew out of a decade-old volunteer organization, is the product of the joint efforts of Beverly Hospital, the AtlantiCare Medical Association, and several area Visiting Nurses Associations.

Stringer said the group had begun caring for the "traditional" cancer patient, but hoped to expand services to AIDS patients, as well as those with other long-term, progressive illnesses.

Its philosophy is to help those who are hopelesslyill to die with dignity in a comfortable and caring atmosphere, and to help their loved onescope with the disease as well.

Salem News
12/26

COMMUNITY

Youthful singers bring joy to hospital

By **VIRGINIA LOWRY**
Essex County Newspapers

BEVERLY – Cristina Bunger, 4, and her brothers, Anthony, 6, and Joseph, 3, sat wide-eyed on a sofa in a Beverly Hospital lounge, as 3½-year-old "soloist" Christopher Malo began his own slightly off-key rendition of "Santa Claus is Coming to Town."

The Bunger children and their mother, Gloucester resident Thea Silveira, spent part of Thursday at the hospital while all three youngsters underwent day surgery, having ear tubes inserted.

Still dressed in their short, patterned hospital gowns, the Bungers received some unexpected – and special – entertainment from Christopher and 13 other youngsters. The musical visitors are all between the ages of 3½ and 5 years old and attend the Beverly Regional YMCA Nursery School.

The pre-schoolers' visit to the Beverly Hospital pediatrics unit was arranged by Debbie Connery, head teacher at the school, and Candy Skalarz, nurse/manager of the pediatric unit, according to pediatric charge nurse Jorj Remillard. It was designed to cheer children who are missing pre-Christmas festivities because they are hospitalized, said Remillard.

"We've made coloring books to give to all the kids," Connery explained to Remillard. "And we have some crayons and some candy and cards for them. And we're going to sing."

Shepherded by Connery, two other teachers and a parent, the 14 youngsters at first seemed awed – and uncharacteristically quiet – as they marched down the hospital corridor, holding hands buddy-style. It didn't take long for them to warm up, however, after they plopped down on the lounge rug in front of a Christmas tree and Christopher's solo broke the ice.

With growing enthusiasm, if not total recall of many song lyrics or melodies, the pre-schoolers sang their way through Christmas classics like "Rudolph the Red-Nosed Reindeer," "Ten Little Reindeer" (to the tune of "Ten Little Indians") and an especially rousing "Jingle Bells."

Virginia Lowry photo

When Christina, 4, Joseph, 3, and Anthony Bunger, 6, went to the Beverly Hospital for day surgery they were also treated to a Christmas concert by pre-schoolers from Beverly.

The youngsters closed with a spirited group version of "Santa Claus is Coming to Town." And, although many of the lyrics were missing, everyone knew the part that went, "He knows if you've been bad or good . . . "

After the song fest, Connery signalled each of the pre-schoolers, in turn, to pass out their gifts of handmade coloring books, packets of crayons and candy and Christmas cards.

With shy, but sincere "thank yous," the Bunger youngsters and others in the pediatric unit accepted their gifts.

Remillard and other staffers know just how miserable it can be for children who are hospitalized during the holiday season, especially on Christmas Day. Although most doctors make every effort to discharge their young patients before the holiday, there are always exceptions.

Even before Christmas, being hospitalized is a wrenching experience, according to Remillard.

School-aged children especially "find it hard being here this week because they're missing parties," she said. As a result, visits from other children such as those from the YMCA take on added importance, she said.

Besides Christopher Malo, nursery school youngsters visiting the hospital were Matthew Connery, Joey Walsh, Peter Frates, Adam Fritz, Kristen Fisher, Brian Coner, Brian Paige, Brian Tirrell, Alex Berry, Jillian Walsh, Derek Luangrath, Ryan Mitchell and Carolyn St. Laurence.

Teachers Tracey Cassidy and Glenn Fisher and parent Kathy Coner accompanied the group.

Nurse-midwife Linda Anne L'Abbe, left, confers with client Stella Baugh and her children, Nathan and Melissa, Tuesday at the North Shore Birth Center in Beverly. Both of the children were born at the birthing center, located on the Beverly Hospital grounds, and Baugh, a Lynn resident, is now expecting another baby. The Beverly center is the only facility in the area at which expectant parents can choose midwife services as an alternative to traditional hospital births. *The Salem News*

Birth Center's staff thrilled by study supporting concept

BEVERLY — For Joyce B. Ricker, an article that will appear in Thursday's New England Journal of Medicine is an affirmation of what she has believed all along — that birthing centers are a safe alternative to delivering babies in traditional hospitals.

Ricker, director of the North Shore Birth Center where more than 2,000 babies have been born in the last nine years, said a report to be published in Thursday's New England Journal of Medicine makes conclusions "extremely favorable" towards birth centers studied around the country.

"We're really excited," said Ricker, one of five full-time certified nurse midwives at the North Shore Birth Center, which is located on the grounds of Beverly Hospital and is the only such facility in the area. "We can finally say that a birthing center is a safe alternative."

The North Shore Birth Center participated in a study done by the National Association of Childbearing Centers over a two year period in which data was collected from birthing centers across the country.

"We sent in data and filled in dots until we were blue in the face," she said, about the information that was sent to the Columbia School of Public Health for data analysis.

Data was collected on 17,800 families who had gone to birth centers for care during pregnancy and birthing.

"It really is extremely favorable towards birth centers," she said, with the report finding low maternal mortality rates and very low infant mortality rates.

In general, the prior consensus of the medical establishment has been that birthing centers are not a safe alternative to hospital delivery, she said. The American College of Obstetricians and Gynocologists has been opposed to birth centers, and held the belief that babies should not be delivered outside of hospitals.

Since the birth center opened in Beverly in October 1980, about 2,300 babies have been born there. Ricker said women with high risk pregnancies are screened out and put under a doctor's care.

Any mother who is healthy and having a normal pregnancy can be qualified for the birth center and is under the care of a certified nurse midwife.

At Beverly, a problem delivery can be transferred immediately to the nearby Beverly Hospital. Ricker said the nurse midwives now have hospital privileges at Beverly Hospital and can deliver a baby either at the birth center or in the hospital maternity unit, depending on the mother's wishes.

Until this study was completed, there was no data to back up the belief that birthing centers are a safe alternative to American mothers.

According to the article, the Columbia study reported that of 11,286 births surveyed, there were no maternal deaths. The infant mortality rate was 1.3 per 1,000, and only half of that if lethal congenital conditions were excluded.

The vast majority of participating women said they would return to the birth center for subsequent births, and would recommend it to their friends.

Tax ~~hike~~ won't pass this year, Voke says

GlOBE
12/27

By M.E. Malone
GLOBE STAFF

House Ways and Means chairman Richard Voke confirmed yesterday what many around the State House suspected as the Legislature nears the end of its session: There will be no tax hike this year.

The Chelsea Democrat said the leadership does not have sufficient support in the 160-member House for a tax package, calling Gov. Dukakis' remarks to the contrary last week "very definitely wrong."

Facing an $800 million to $850 million budget deficit, the Legislature has worked since Sept. 18 to fashion a budget reduction package. The package is expected to be unveiled today and will fall about $500 million short of erasing the deficit.

Voke said the House leadership will have to regroup and decide whether to seek a tax hike next month after the Legislature and governor have completed work on the $300 million to $350 million budget reduction package and after the December revenue figures have been compiled.

Then, he said, a "very rational and reasonable and hopefully somewhat accurate prediction of what the revenues will be for this fiscal year" can be made.

But members of the Dukakis administration say they do not expect the December revenues to help the state's finances.

"We'd love to see a silver lining too,"

TAXES, Page 17

't pass
e says

-Lawrence) could not reach
reement yesterday on the
reduction package after six
closed-door negotiations.

ng the sticking points is one
so-called budget buster re-
proposed by the Senate to
e growth in spending on cer-
te accounts, including Medic-
te pensions, group insurance
t service.

House is also opposing a
to shift from the state to
icipalities more of the bill for
the Massachusetts Bay
rtation Authority.

said he expects the Senate
hdraw its support for that
ar provision, but McGovern
ot comment on that yester-

letter yesterday to McGov-
yor Raymond Flynn said the
would "substantially increase
share of the MBTA deficit
d potentially have a chilling
n transit service throughout
n."

rding to Flynn's letter, the
change would cost the city
ion on top of the $49 million
ady expected to pay.

night, when the conference
e recessed for the sixth
ve working day without
a compromise, Voke said no
nt had yet been reached on
controversial "budget bust-
sal approved by the Senate
e all state employees to pay
t of their health insurance.

HEALTH CLINIC: The Bay Area Visiting Nurse Association will be sponsoring a Health Maintenance Clinic for residents of Beverly Commons on Tuesday, Jan. 9, at 10:30 a.m. This month the topic for the clinic will be Life-Line, and will be presented by Beth Dimitruk from T.I.P.S. After the presentation, there will be a short time for questions and answers.

The clinic is held in the Beverly Commons Recreation Hall, and all residents of Beverly Commons are urged to attend.

The discussion will begin promptly at 10:30 a.m., and registered nurses will see participants individually to check blood pressures and review medications after the discussion.

The clinic is offered by the Bay Area Visiting Nurse Association and funded by Corcoran Management Company.

For information, call Bay Area VNA, at 922-1722.

12/27/89 SEN

Hospital, council to discuss finances

A News staff report

PEABODY — J.B. Thomas Hospital officials have asked to meet with the City Council to discuss the municipally owned hospital's finances, fueling new speculation that the hospital might close.

Board of Trustees Chairman Joseph D. Delaney has asked to meet Jan. 10 with city councilors.

"We would like to discuss with you the various options available to us at this time. Keeping in mind that we would not want to jeopardize any negotiating position we have in any of the probable alternatives," Delaney said in the letter.

However, J.B. Thomas Hospital President Sheldon Aronson said that hospital officials will merely update councilors about the hospital's financial condition and not discuss any options — including sale of the hospital.

"It's about what (the press) has been asking from us all along," Aronson said.

Aronson said the current deficit for the fiscal year for the hospital — $104,000 — is running about the same as last year at this time.

He said the report will be more of a "state of the hospital" address.

Aronson said the concerns about J.B. Thomas' finances are tied to the news stories about other hospitals such as Hunt in Danvers being in financial trouble. Aronson runs J.B. Thomas for Salem Hospital.

The request for a meeting came as a surprise to some city officials.

Ward 2 Councilor Louis A. Cersosimo, who had asked for a meeting with hospital officials six months ago, said this meeting was news to him.

Cersosimo said he asked for the meeting six months ago because rumors were rampant throughout the city that the hospital would close.

He said that the rumors ceased when Mayor Peter Torigian answered the questions about the hospital's finances.

DANVERS

Hunt doctors insured against hiring liability

A News staff report

DANVERS — Doctors at Hunt Hospital will no longer have to operate in fear of a lawsuit when weighing the qualifications of a fellow physician seeking to practice at the hospital.

Hospital Administrator David L. Stansberry informed the Board of Trustees Tuesday that doctors were already insured for their acts relating to peer review and administrative duties.

Last month, following a renewed request by doctors, the board said it was looking into purchasing added liability insurance for physicians.

Hunt officials said at the time that they had yet to obtain the coverage because of the difficulty in finding a company willing to provide the insurance.

Board Chairman Philip W. Jefferson Jr. was pleased with the news. In an interview after the meeting, Jefferson said: "We knew we were covered (for liability), but not in this area."

The coverage applies to physicians and other staff only in their administrative work. Doctors already were covered for malpractice.

Without the insurance, Hunt staffers could have been personally liable.

Stansberry informed the board that he learned that the doctors were covered from the Joint Underwriting Association, which is involved in pooled liability insurance. The association was created for malpractice problems.

"Actually, we have been insured all along," Stansberry said. "Our agent hadn't advised us of this . . . We shouldn't have any concerns about this. Our physicians' concerns were justified.

Stansberry said Hunt's doctors were adequately protected against any lawsuits.

"It's nice to find out," he said. "It would have been been nice to find out three years ago when it first came up."

The hospital had no major problems that led to the search for coverage although doctors had been sued in the past, Stansberry said.

Problems in other states, including California, had contributed to the concern by doctors. A case there four years ago resulted in a doctor receiving millions of dollars after being denied permission to practice at a hospital by other doctors.

Stansberry said that he was fearful of a potential Hunt doctor coming to the hospital with the intent of filing a suit.

Stansberry turned over the search for coverage to Hastings-Tapley Insurance earlier this year. He had previously estimated that $3-million worth of coverage would cost approximately $25,000.

The Joint Underwriting Association apparently learned of the insurance issue after reading a newspaper article about it, Hunt Chief of Staff Dougald C. MacGillivray said.

THE TIMES
WEDNESDAY
DEC. 27, 1989

Laurel Ridge appeal is yet to be filed

By KELLEY BOUCHARD
Times staff

BEVERLY – The developers of the proposed Laurel Ridge senior citizen housing project have yet to appeal the Conservation Commission's recent denial of the $35 million plan to the state.

The developers – Beverly Hospital, MediQuest Corp. and Brim & Associates – are awaiting an official letter from the commission describing in detail its denial, said Sue Gustafson, director of public relations with the hospital.

The commission denied the plan for the 190-unit project on Dec. 15 because the developers failed to answer concerns about wetlands protection, including blasting, drainage and pollution control.

Commission Agent Robin Levesque said the commission has until Jan. 4 to file its decision. Until officially notified of the denial in writing, the developers cannot appeal the decision to the state Department of Environmental Protection (DEP), Levesque said.

The commission denied the project when the developers failed to answer requests for specific details about the possible effects of blasting on the bedrock and the surrounding wetlands. The commission also questioned the project's drainage plans and the potential effectiveness of two water retention basins.

Without the commission's approval, the developers cannot work within 100 feet of state-protected wetlands.

The congregate housing project would include apartments, common meal areas, shops and health services. When the project was originally proposed two years ago, the apartments were priced between $140,000 and $300,000 and carried a monthly maintenance fee of $1,000.

When the Planning Board approved the 39-acre project back in February 1988, a group of neighbors appealed the decision in court. The case is still pending.

Earlier this month, when the Conservation Commission denied the plan, hospital Vice President John Good promised to appeal the decision to the DEP. Gustafson said Good and his associates on the Laurel Ridge project have every intension of following through on the promise.

RX ... FOR YOUR HEALTH

Beverly Hospital honors a trustee

Beverly Hospital has honored long-time trustee Douglas S. Littlehale by naming a family lounge in its maternity department in his honor.

"Mr. Littlehale has honored us for many years with his time and talent," says Robert F. Fanning Jr., hospital president. "It's important to recognize the importance of his involvement."

Littlehale was first elected to the Beverly Hospital Board of Trustees in 1969. He has served as a member of the executive committee, planning committee chairman and first vice president.

A Beverly resident, Littlehale retired as general manager of Morton Thiokol Alfa Products, a division of Ventron, several years ago.

He and his wife, Barbara, have two sons.

Free support for patients

Beverly Hospital's free support group for cancer patients, their families and friends will hold meetings on the sixth floor of the hospital's Johnson's Building, Tuesday, Jan. 9, and Tuesday, Jan. 23, from 7-8:30 p.m. The topic will be "Coping When Things May Not Be Going Well."

All meetings are open to the public. For more information, call (508) 922-3000, ext. 2710.

Daily Evening Item 12/27/89

A maternity-care void

For sound medical reasons, St. Margaret's Hospital for Women is planning to move to Brighton, where it will adjoin St. Elizabeth's Hospital and share emergency and high-technology services. The problem is that women and infants left behind in the hospital's present neighborhood will be deprived of its expertise.

The excellence of maternity care at St. Margaret's Hospital is well-known, as is the superiority of its intensive care for fragile and premature newborns. Less well-known is the high demand for such care at St. Margaret's – four of every 10 pregnancies are considered high-risk, as are 40 percent of the 3,500 infants born there each year.

The demand is so high because of the hospital's location on Jones Hill in Dorchester. From this vantage point and that of a satellite clinic, the hospital's services are convenient for pregnant women in Boston's most medically needy neighborhoods – North Dorchester, Roxbury and South Boston.

Of all Boston's neighborhoods, these three have the highest fertility and birth rates and the largest number of low-weight newborns and newborn deaths. Though St. Margaret's plans to maintain a clinic in Dorchester after it moves, other community health centers doubt that many women will be able to travel to Brighton for full hospital services.

Without appropriate arrangements, the move could cause a disruption in the delivery of maternity care for poor women. Although other hospitals, such as New England Medical Center, Brigham and Women's and Boston City, are planning new obstetrical units, and Carney is considering one, no plan has been undertaken to ensure that they will meet the needs of the low-income women in the high-maternity-risk neighborhoods.

Community associations are calling attention to the problem; 1,500 persons have petitioned for a study of the impact of St. Margaret's relocation on local women. Before final permission is granted for the move or for the maternity facilities sought by the other hospitals, the needs of this high-risk maternity population should be analyzed.

Globe
12/30/89

Pension reform bill moves to Senate after House OK

Globe 12/28

The House yesterday passed and sent to the Senate a bill to reform management of the state's $445 million retirement savings plan. The bill, sponsored by Rep. Kevin Blanchette (D-Lawrence), would bar no-bid contracting, cut marketing costs, prohibit the management company from selling annuities offered by its parent companies, and eliminate vesting, the arrangement that assures the fund-management company commissions even if it is replaced.

The Boston Globe spotlight team reported last July that former Attorney General Edward J. McCormack Jr., a silent partner in the Public Employees Benefit Services Corp., or PEBSCO, is paid about $500,000 a year in commissions even though he no longer does any work on behalf of the plan.

Blanchette's legislation would also establish a new board to oversee management of the pension fund. Blanchette, the House chairman of the Public Service Committee, said he hopes the bill will clear the Senate by the end of the year.

Meanwhile, Sen. Richard Kraus (D-Arlington), chairman of the Senate Committee on Post Audit and Oversight, called yesterday for the House to act on his bill to introduce some of the safeguards into management of the retirement plan.

Scot Lehigh

State budget talks progress fitfully

By M.E. Malone
GLOBE STAFF

Pushing their self-imposed midnight deadline, House and Senate finance committee members yesterday agreed on more than $100 million in budget cuts, but backed away from proposals to slash two legislative committees that are widely viewed as patronage havens.

Though the Legislature is demanding further substantive and symbolic cuts in the state bureaucracy, the conference committee agreed last night to continue funding two legislative accounts that many had wanted cut for their symbolic value.

The committee restored funding that the House had cut from the Senate-controlled Legislative Research Bureau, leaving $669,115 in that account. The Senate also backed away from its proposal to eliminate the House-controlled Legislative Service Bureau, leaving it funded at a level of $750,000 as the House proposed in its version of the budget-reduction package.

After 10 days' of failing to reconcile the differences between the House and Senate versions of a $300 million-$350 million budget-reduction package that relies heavily on nontax revenues, the conference committee – controlled by House and Senate Ways and Means leaders Rep. Richard A. Voke (D-Chelsea) and Sen. Patricia A. McGovern (D-Lawrence) – moved swiftly to report out the agreements reached early last evening.

Later last night, committee members were still meeting, trying to resolve

BUDGET, Page 33

Globe 12/28

ully

sources close to the committee, is a proposal by the Senate to shift some of the future increases in the operating budget of the Massachusetts Bay Transportation Authority to member cities and towns.

Voke indicated earlier this week that the Senate was prepared to back away from that part of its plan and hinted the House, which has some objections to another Senate proposal to have state employees pay 10 percent of their health insurance premiums, might give in to the Senate on that plan.

RICHARD A. VOKE
Hints at compromise

PATRICIA A. McGOVERN
Unsure of agreement

Partial agreement

Voke also said the committee would report its agreements in part, if need be, to ensure that a compromise package is on the House floor today for a vote. By law, conference committee reports may not be amended during floor debate.

"We want to have this resolved," said McGovern, although she was unsure if the committee would come to agreement on all its differences before the night was out.

Gov. Dukakis has said he expects the final package to be worth about $300 million, $500 million less than the projected state deficit of $800 million. Flat revenues coupled with continuing growth in Medicaid, employee health insurance and pensions, debt service and the MBTA accounts have been blamed by the administration and the House and Senate Ways and Means committees for the bulk of the deficit.

The House has balked several times this year at plans to try to close the remainder of the deficit by increasing taxes, calling instead for further budget cuts. Yet, after taking more than 14 weeks to fashion and agree upon the $300 million budget savings package that will be placed on the House floor today, many question whether or not the Legislature can make further substantial cuts in the state's $12 billion budget before the fiscal year ends in June.

House leaders, as a result, are in an awkward position if they refuse to go along with Senate items aimed at cutting the budget further.

Tax-rejecting resolution

Yesterday, several House members turned the heat up on their leaders by introducing a resolution rejecting taxes until the full House considers all the items reviewed by their Ways and Means Committee.

The resolution was not admitted

y because of an objection
epresentatives filed the res-
a bill for the next session,
ns in January.
esolution, endorsed by Citi-
Limited Taxation and the
usetts High Technology
ays the House will not accept a further tax increase until members receive a full accounting of state spending, revenue forecasts and budget-reduction suggestions already dismissed by the House and Senate finance committees.

Among other budget cuts agreed to by the conference committee last night were a reduction of the governor's policy offices from $1 million to $885,000 and a mandate to eliminate three policy offices by May 1, 1990. The Senate Art Committee, which has financed many expensive furnishings in Senate President William Bulger's office, was cut by $23,000 to $27,000.

The Arts Lottery Council received $900,000 as a compromise between the House's proposed $430,000 and the Senate's proposed $1.5 million account. The two soldiers' homes in Chelsea and Holyoke took no further cuts, as proposed by the Senate. Also defeated was a House proposal to cut the $310,000 account for the L Street Bathhouse, in Bulger's district.

Heavy cuts were made in housing programs, day care for welfare mothers undergoing employment training and transportation services for the mentally ill. Funding for the proposed phase-in of universal health care was cut by $1 million, instead of the full $7 million proposed by the House.

Globe 12/28/89

Lawmakers near deal on ‘carryover’ change

By Scot Lehigh
CONTRIBUTING REPORTER

After years of disagreement between the two branches, a legislative conference committee yesterday agreed in principle on a rules change to keep alive bills caught halfway through the process when the first year of a two-year session ends.

Under that agreement, bills that one branch has passed and sent to the other, or “engrossed,” would retain their place in the legislative process the next year. Currently, those bills die when the legislative year ends. The carryover provision, which the conference committee estimated would affect about 500 bills a year, would not carry bills over to a newly elected Legislature.

The committee has scheduled another meeting for this afternoon to iron out details. If a final agreement is reached, both branches would still have to approve the change before it takes effect. But if it passes, the carryover provision would spell a major change in the Legislature’s operations, advocates said yesterday.

Sen. Richard Kraus (D-Arlington), a member of the conference committee and a long-time proponent of carryover, predicted the rules change would dilute the leadership’s power by halving the opportunities for late-session stalling.

“This does diminish power of leadership in a very significant way,” Kraus said. “It really diminishes the power of anyone ... who wants to use a relatively artificial means to block passage of bills.”

“The plan before them now is real substantial reform ... that would benefit substantive issues of all political stripes,” Richard Cauchi, political director of Citizens for Participation in Political Action, said yesterday. “It is something that in the long term is going to save some money and some time and make the Legislature potentially more efficient.” Cauchi said much of the savings would come by eliminating the need to replicate hearings for bills already passed by one branch.

But Pam Wilmot, executive director of Common Cause of Massachusetts, warned that the conferees will weaken the impact of the reform if they refuse to make carryover applicable to this year.

Although House conferees want the proposed rules change to apply this year, Sen. Louis Bertonazzi (D-Milford), the panel’s Senate chairman, said he thought the change should begin next year. Because a new Legislature will begin in January 1991, carryover then would not have any practical effect until 1992.

“That is utterly outrageous,” Wilmot said. “There is no reason to wait another two years. ... the Senate should move ahead and do it this year.”

Rep. Frank Jakubowicz (D-Pittsfield), another longtime advocate of carryover, said that making the change applicable this year is particularly crucial because so many bills have gotten stuck halfway, due to the preoccupation with the deficit.

Study: Birth centers safe alternatives

By SUSAN BRINK

A new national study says birth centers offer safe alternatives to hospitals — further fueling the controversy over the safest, most efficient way for women to bear children.

The study, published in today's New England Journal of Medicine, adds that such care — which is 30 to 50 percent cheaper than hospitals — also leads to fewer Caesarean sections.

But, caution some in the field, the results may reflect only the best-run birth centers, and further study is needed.

The study, which found the centers safe for both mothers and babies, involved nearly 12,000 women who delivered infants at 84 of the 132 birth centers nationwide. Massachusetts has three such centers: in Beverly, Pittsfield and Springfield.

The controversy over the safest, most cost efficient and effective way to deliver babies has been raging since birth centers began in 1975, said Eunice Ernst, director of the National Association of Childbearing Centers and one of the study authors.

Birth centers are homelike, non-hospital facilities which provide care to women expected to have an uncomplicated delivery.

In Boston, most babies are delivered at Brigham and Women's Hospital, which operates its 120 beds at nearly 100 percent capacity. Beth Israel, Boston City Hospital and St. Margaret's also operate very near capacity, according to Department of Public Health statistics.

"Hospital (obstetrics) units are crowded or closing all over the place," said Ernst. "Birth centers have had about as much review as people can stand. It's time now to either do it or not do it."

But Dr. Ellice Lieberman of Brigham and Women's Hospital, co-wrote an accompanying editorial in the journal suggesting a need for further study.

"The risk is that if you're in labor and you have a complication, you could run into trouble if you can't get to a hospital," said Lieberman.

About one-third of women who want to deliver at birth centers, she said, end up at hospitals because they are found to be at high risk for complications.

The cost of delivery at a birth center, Ernst said, averages 30 percent to 50 percent less than at a hospital.

The North Shore Birth Center in Beverly, affiliated with Beverly Hospital, charges $2,100 for a package of care including prenatal care by certified nurse midwives, labor and delivery, and postpartum care, said Joyce Ricker, director and certified nurse midwife.

Brigham and Women's Hospital averages $2,200 for an average delivery with no complications and a two-day hospital stay, a spokeswoman said. In addition, obstetricians charge about $2,000. Pediatric examination is an additional charge.

Women who are good candidates for a birth center include young women with no outstanding health problems such as diabetes or heart disease, and with no history of drug or alcohol abuse.

Almost a house call

The North Shore Birth Center in Beverly opened in 1980 in response to women who were considering having babies at home.

But, said Joyce Ricker, director and certified midwife, the patients went from "crunchy, granola people," to well-educated, middle-class women who wanted a safe, but still homelike, birth experience.

Phyllis Hill gave birth to her third child, a girl, Dec. 21 at the North Shore Birth Center.

"Our first child was born in a hospital in South Carolina," said Hill. "They put me on a monitor, made me stay in bed, put an IV in me, gave me an enema and shaved me.

"The doctor was agreeable to going natural, but the hospital had its procedures. We were shocked and dissatisfied."

Her second child was born at New England Memorial in Stoneham. "That was a much more positive experience. The hospital was excellent," she said.

HOME AWAY FROM HOME: Phyllis Hill beams alongside her daughter, Star Elise, who was born at the North Shore Birth Center last week.

Staff photo by Brian Walski

Still, when she heard about the homelike atmosphere in the old house across the driveway from Beverly Hospital, she and her husband wanted to try it.

It has two bedrooms with double beds for the birth. It has a living room and kitchen for weary, waiting and hungry family members and friends. And it has nurse midwives to provide prenatal care and delivery, with obstetricians as consultants and a hospital emergency room three minutes away.

"I never felt like I was out in the boonies or the desert. I felt close to the hospital, but with all the advantages of a home. By the time she was born, I was exhausted. We just crashed for the rest of the morning. I didn't wake up again until noon," she said.

She and her family were home again before sunset.

—SUSAN BRINK

DANVERS

Hunt Hospital suffers severe cash flow fallout

A News staff report

DANVERS — Hunt Hospital experienced a sharp drop in in its cash flow in November, resulting in a deficit of $520,000.

But the hospital could be helped slightly by legislation currently awaiting action in the Statehouse.

Michael E. Morris, Hunt's assistant aadministrator for fiscal services, said it was too early to say what the final bottom line would look like when the fiscal year ends June 30, 1990.

"We have prepared the town and the trustees that fiscal year 1990 was and continues to be a very difficult year for the hospital," Morris said.

Hunt Trustees head Philip W. Jefferson Jr. concurred.

"Hunt is seeing what every other hospital in the state is seeing," he said, adding, "I don't think you will find any trustees at any hospital upbeat at this time."

In October, Hunt Hospital had an $800,000 positive cash flow.

But Morris said that five payrolls, two holidays, and typical expenses in November led to the $1.3-million shift.

The situation was not much better in the accrual accounting method, which includes receipts and expenses as they occur, whether or not they'e been paid. Through November, Hunt Hospital was $1.2 million in the red, double the October figure.

> *'Hunt is seeing what every other hospital in the state is seeing. I don't think you will find any trustees at any hospital upbeat at this time.'*
>
> Philip W. Jefferson Jr.,
> Hunt trustee chairman

A financial report from Administrator David L. Stansberry to the Hunt Board of Trustees this week cited the continuing failure to be reimbursed for expenses already incurred as a reason for the problems. Stansberry said that Hunt is owed more than $600,000 from third parties.

The hospital has previously blamed the state and federal governments for failure to quickly reimburse Hunt for Medicare and Medicaid programs.

Morris cited the length of stay of patients as an indication of why Hunt has not done well financially. In November, 1988, the average length of stay for a patient was 7.5 days. That number increased to 8.8 days last month. The year to date average jumped from seven days in fiscal year 1989 to 7.7 days this fiscal year.

Longer stays do not necessarily mean more money for the hospital. Morris pointed out that insurance companies would only pay up to a certain amount for a particular procedure. A hospital would have to eat any additional cost.

Morris said he hoped help would be on the way in the form of legislation that received a favorable recommendation from the State House Ways and Means Committee. The bill would enable Hunt and approximately 35 other hospitals to achieve partity with other hospitals in the state that have been able to charge more for procedures.

Morris said the April, 1988, legislation that established the disparity was unintentional.

If the bill becomes law, Hunt could receive roughly $185,000.

"We are hoping we can get the (bill) all done and voted on in the next six months," Morris said.

"It doesn't cost the state any money," Morris told the Hunt Board of Trustees this week.

"We are hoping we can get some relief out of that," he said.

Morris said that Hunt also is using an outside billing agency, Walker Associates, to help speed up the bill collection process.

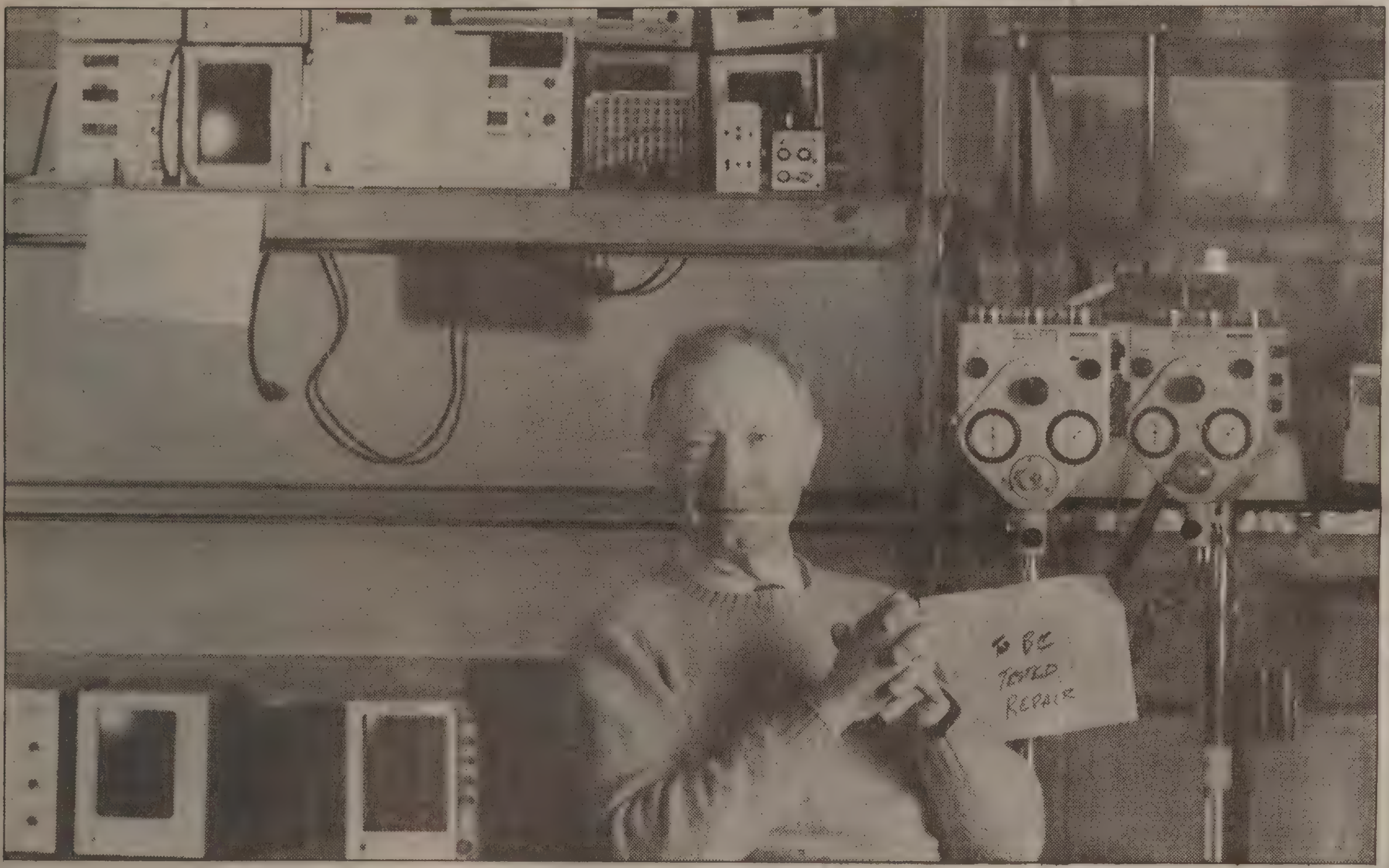
The hospital will have a better idea of how the end of the fiscal year will look in February. Morris said he needed at least the first six months of the fiscal year to make forecasts.

Business

THE BOSTON GLOBE • THURSDAY, DECEMBER 28, 1989

'Our criteria is simple. A recipient must be a nonmilitary hospital that serves the poor in a Third World or developing nation.'

KAY H. BARNEY, *American Medical Resources Foundation founder*



GLOBE STAFF PHOTO / MICHELE MCDONALD

Kay Barney, with some of the equipment that has been salvaged for hospitals in poor countries.

Medical equipment finds new life

By Gordon McKibben
GLOBE STAFF

BROCKTON – A forklift truck loaded with an ultrasonic cardiograph moves through a big warehouse, down a long corridor flanked by 45-foot high racks filled with corn flakes.

It stops before a 40-foot-long metal container partly filled with used hospital equipment. A slightly scratched birthing chair, several refurbished respirators and some infant digital scales and bassinets sit to one side, waiting to be packed into the ocean-going container.

Unlike the corn flakes and VCRs and other shiny new products stacked in the modern EGI Inc. warehouse, the medical equipment technically is junk, used equipment discarded by hospitals and clinics. It would be in a dump if it was not for a remarkable group of business and medical people who scrounge New England hospitals for unwanted equipment, including the container-load here that will soon be shipped to a hospital serving the poor in Porto Alegre in industrial south Brazil.

The equipment awaiting shipment' would cost at least $500,000 at today's prices, according to Victor Sologaistoa, the supervisor of clinical engeering at Newton-Wellesley Hospital, and it will serve for many years in the Hospital Sao Lucas, where Sologaistoa assessed the hospital's needs and abilities to use the discarded American equipment.

In his spare time, Sologaistoa is vice president of American Medical Resources Foundation, the nonprofit salvage group that is spreading the word to hospitals, "call us before you throw it away." The all-volunteer AMRF is headed by Kay H. Barney, a retired Raytheon executive.

Barney worked for many years as an international programs manager at Raytheon. A few years ago he met Guatemalan-born Sologaistoa, who told him of his excitement over being able to help a few visiting Latin American doctors acquire discarded X-ray and other systems desperately needed in their home countries. Sologaistoa told him of follow-up visits to Guatemalan hospitals where he helped staffers install equipment, and how he had seen firsthand how the equipment unwanted in Boston had saved lives.

Barney became so fired up by Sologaistoa's vision of supplying whole hospitals with American throwaways that he took early retirement from Raytheon last year

MEDICAL SUPPLIES, Page 48

over

Oil, other fuel prices kee

ASSOCIATED PRESS

NEW YORK – Heating oil prices pushed higher again yesterday – with consumers paying more than $1 a gallon in many parts of the country – as cold weather continued depleting stocks of the fuel.

Oil customers weren't the only ones being pinched. Prices rose for other fuels, such as propane, and some utilities asked natural gas customers to limit consumption.

In Philadelphia, a gallon of heating oil

percent in just a month.

Demand for oil continued to rise, pushing prices higher, as cold weather kept a grip on many areas. Transportation problems and refinery shutdowns also have helped keep inventories low.

Oil prices were high even where the climate has been temperate.

In Seattle, where temperatures have been running in the 40s, slightly above normal for this time of the year, heating oil was selling for nearly $1.02 a gallon. In Portland, Ore., where temperatures [illegible] heating oil

gallon –
price ar
gallon a
tract ro

Who
ary deli
gallon y
the Feb
termedi
gallon b

A c
oil, whi
oil wou
Howev

the year.

Looking ahead to 1990, financial planners suggest several areas where people can make practical resolutions that will change their patterns of spending, saving and investing. Many of their recommendations are based on the observation that too many people are entering the 1990s with no long-range plan, little or no idea of how much they're spending and still not using credit – especially credit cards – carefully.

> **'I don't want to see my clients with any consumer debt unless it's a home equity loan, and that better be for a very good reason.'**
>
> DAVID DRUCKER
> *Financial planner*

Your best first step into the new year might begin with a look back at the old one.

"Look at your overall expenses for the last 12 months," says Stephen Gorman, a financial planner with Seidman Financial Services in Boston. "Sit down and review your checkbook registers and credit card statements and see what you actually did spend."

This exercise, Gorman says, will help people see if expenses were unusually high or low and "get a handle" on where the money went.

To go further with this, says David Drucker, a financial planner in Bethesda, Md., you might take all those expenditures and put them in categories, such as mortgage or rent, utilities, car expenses, insurance, food, clothing, entertainment, travel, gifts and any other categories that fit the way you live. This will show even more clearly where the money went and may identify some areas that could be cut back next year, he says.

Almost all the advisers point to the use – or misuse – of credit as one of the most important targets for New Year's resolutions.

"I would resolve to put all my charge cards in a safe deposit box," Drucker says. "Then I would resolve to wait 24 hours after

ome sales in a year

Other economists agreed that the using market will be softer than in e past and that reports of a reces- n in the real-estate market were eatly exaggerated.

"What we are really seeing is the d of five years of really good owth in housing market," said Da- l Berson, chief economist at the deral National Mortgage Associ- ion, the nation' largest purchaser home loans.

"No market can continue to be ong forever," he added.

"This is not a situation in which e has to worry about a recession in al estate," said Lyle Gramley, ief economist at the Mortgage nkers Association. "That is just at all valid."

Gramley and Berson said they do expect home prices to drop, al- ugh they see more moderate in- ases than in recent years.

has

Energy conservation plan app

By Frank Mauran
CONTRIBUTING REPORTER

In a move hailed by a prominent conservation group as a trend setter, the Rhode Island Public Utilities Commission yesterday approved a proposal by New England Electric System that makes large-scale energy conservation profitable.

Under the terms of the program, Narragansett Electric, a Rhode Island-based subsidiary of the Westborough power company, will spend $10.7 million next year on conservation measures to avoid $31.5 million in costs arising from additional power needs. The power company is also eligible for incentives worth $1.7 million over two years if it meets its conservation goals.

Douglas Foy, executive director of the Conservation Law Foundation, an environmental group that worked closely with New England Electric to design the program, stressed its significance to conservation efforts nationwide.

"It's revolutionary," said Foy. "It may be the most significant utility commission decision made in the last decade. It could set the standard for utility commissions not region but for the countr

John W. Rowe, presid England Electric, said ment released on Dec. 1 program was filed, "Rh will be at the cutting edg conservation good pu which is already equally ness."

Foy attributed Ne Electric's willingness to c ergy to finding a financia the company. "Without t centive, conservation pr

Interstate banking bill runs into tro

■ **INTERSTATE BANKING**
Continued from Page 47

"Without this bill, I think the Bank of New England will have severe problems," Finneran said. He said federal regulators could create a "forced marriage" for the bank with institutions from outside the region.

"If the bank can't resolve their problems, you'll see the feds come in and you'll see something like Citicorp or a Japanese bank take them

The Bank of New England has

bank. However, because Fleet had already acquired a New York bank, it is disqualified under the so-called New England Compact from acquiring a Massachusetts bank.

The interstate banking bill, by voiding the New England Compact, would allow the Fleet group to acquire Bank of New England.

Finneran expressed frustration over Alexander's move. He said he and several other members tried throughout the afternoon to persuade Alexander to drop his chal-

House is being forced t far-reaching bill that ha properly debated and pu

"It's a 40-page bill members don't have what's in it," Alexander sa it would be regrettable to on the bill that we would gret."

Besides the Bank of land, at stake in the batt

other of the state's maj

rty talks

e loans with their own standards, ich were not uniform, says a rce close to the investigation.

Clearly, Wall Street had no in- ng of the crisis facing the bank. st summer the bank sold $200 mil- of 9⅞ percent bonds to the pub- through Morgan Stanley at htly below $100. They are now ling at a bid price of $65, or a l of 16.5 percent.

Fleet/Norstar, the big super-re- nal that has managed to escape h of the problems now haunting region's other banks, has pushed et an inside track on a deal with k of New England. Shawmut ional, which has dual headquar- in Boston and Hartford, also has essed interest in Bank of New land.

J. Terrence Murray, head of et, reportedly met recently with lators about a deal for Bank of England, but one source close he bank said it's not clear that eet has the financial strength to rb the problems."

A Fleet spokesman said yester- the bank does not comment on ger speculation.

---

ts

et accounts and certificates of deposit n Wednesday, Dec. 27. Yields are te stated yesterday for the lowest Iinimums may vary from bank to

---

The Bank of New England has been talking with the Fleet/Norstar Group of Providence, which is interested in acquiring the Bostosn-based

suade Alexander to drop his challenge, but the Marblehead lawmaker would not back down.

Alexander said he feels that the

institutions.

Major opposition to coming from Bank of Bos

Medical equipment finds new life

MEDICAL SUPPLIES

Continued from Page 47

and founded AMRH. The foundation's offices are in a second-floor spare room of his Lexington home.

Sologaistoa recites the time AMRF got a telephone tip about a couple of used infant transporters, which when new cost more than $4,000 each. They were about to be thrown out by a Boston-area hospital. Sologaistoa alerted an AMRF trucker volunteer, who raced to the the loading dock in time to salvage one transporter; the other had been thrown into a dumpster and crushed minutes earlier.

The AMRF depends on a network of biomedical engineers and technicians in at least 25 New England hospitals, including Concord's Emerson hospital, Brigham and Women's, and Mount Auburn to let AMRF know when equipment is being phased out, so usually they do not have to make a last-second rescue.

But in a way the routine is always the same. Find the equipment, deal with the donor hospital – which is usually happy to get rid of the gear – collect it, clean it, test and calibrate it if needed, pack and ship it, and make sure there is a follow-up to see that personnel at the recipient hospital know how to use and maintain the equipment.

If requested, AMRF sends volunteer teams of technicians – who donate vacation days and are not paid – to the recipient hospitals to make sure doctors and technicians know how to operate the surprisingly sophisticated and frequently quite new discards from American institutions.

Barney said that a team of nurses is being organized and may be used to assist recipient hospitals in breaking in new equipment on patient floors, if requested. "We've found doctors and nurses in the hospitals competent and knowlegeable about using the equipment we send," Barney said. There is a shortage of maintenance technicians abroad, which is why the AMRF provides follow-up service if asked.

The AMRF also serves as a clearing house to match requests for equipment and services. "Our criteria is simple. A recipient must be a nonmilitary hospital that serves the poor in a Third World or developing nation," said Barney.

This year, AMRF will ship equipment worth more than $2 million at original prices. At last count 143 used electric beds, 200 portable stretchers, 13 EKG units, three cardiac monitors and many hundreds of other discarded items, as sophisticated as a neonatal monitor and as mundane as a pill-counting machine, had been sent. Earlier shipments this year have gone to Guatemala, Colombia, and Brazil. Additional 40-foot container shipments will be sent in a few weeks to a children's hospital in Istanbul and to a hospital in Colombia.

A group of Massachusetts Vietnam war veterans has contacted Barney about supplying a hospital in rural Vietnam where they served. Barney has verified that the US State Department supports this sort of humanitarian cooperation with the old enemy, and a delegation of the local veterans plans to travel to Vietnam this winter to ascertain exactly what the hospitals there can use. The AMRF will screen the application from the Vietnam hospital when it is received and if it decides there is a match, will start filling another container from its supply of hospital discards.

Similar planning is under way to supply a hospital in the city of Riga, Soviet Latvia. Local Latvian-American doctors will send AMRF vice president David Harrington, director of medical engineering at New England Medical Center, to Latvia in the spring to assess needs. Another group from Sierra Leone has inquired recently.

"We're prepared to send equipment anywhere in the world," said Barney, who says so far the saturation point has not been reached on acquiring usable discards. "Hospitals and clinics are happy to help and it's an easy way for them to get rid of unwanted equipment," he said. The AMRF is trying to alert all New England and other hospitals to think of the AMRF before discarding.

Generally money is raised in the recipient countries for the $8,000 typically needed to pay for transporting equipment from donor hospitals to the EGI warehouse, and from the warehouse by truck and ocean vessel to the recipient hospital. Sometimes American sponsors pay the freight. Kiwanis International in Indianapolis raised the money needed [illegible] a container for Colombia. The William Joiner Foundation at the University of Massachusetts will pay for the Vietnam shipping if that deal goes through.

One of AMRF's current objectives is to raise enough money from corporate and individual donors to pay transportation costs and relieve poor nations of this money problem. Several Boston-area service clubs and companies have chipped in with funds or services.

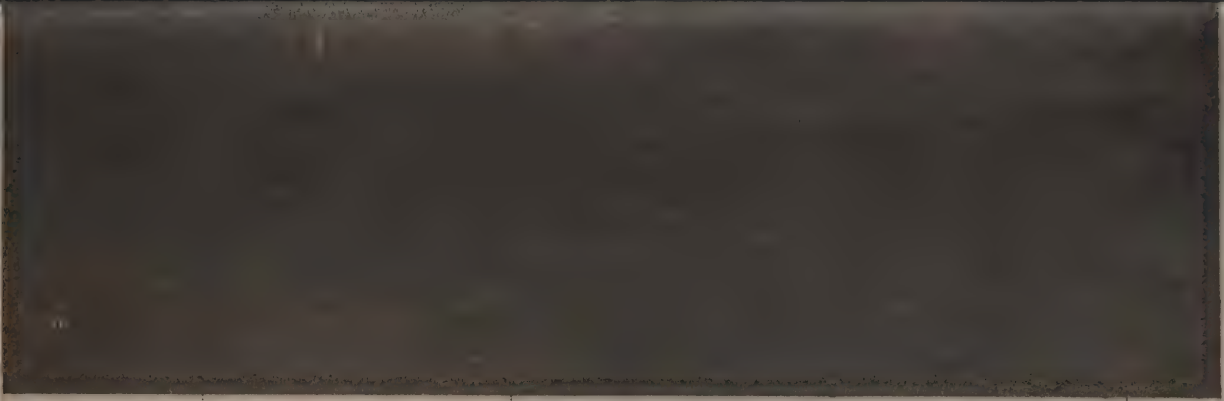
Barney takes no salary. Neither does Sologaistoa nor any of his coworkers, some of them retired executives and technologists, others active workers in area hospitals and clinics. The AMRF depends on volunteer hospital workers who give up Saturdays to test and calibrate machines at the Brockton checkout room and help with the careful packing needed for the ocean trip.

Richard Lee, the retired chairman of EGI Warehouse, and former emergency transport director for Governors Endicott Peabody and John Volpe, donates warehousing space and a checkout room, and arranges for transporting the equipment to and from the warehouse.

"We have 110,000 square feet here – it gives me a great personal pleasure to donate a few hundred square feet and a testing room," Lee said recently as he kidded with some of his employees about possible uses for the birthing chair in his warehouse.

Lee and Barney have had good success in getting ocean shippers to give them charitable rates for shipments. But there are still lots of sticking points in paying shippers due to inflated and nonconvertible local currencies and restrictilns against exporting scarce US dollars. Barney, who went through many international shipments in his Raytheon days says he found it easier to arrange for high priority weapons shipments than secondhand X-ray machines and electric hospital beds.

Acquiring reliable test instrumentation to check out the used machines is a headache, too. Barney says AMRF must rely on donors for this because hospitals that throw away costly clinical equipment before it is well broken in tend to hang on to test instruments much longer, and thus AMRF cannot depend on raiding the dump for this class of equipment.



GLOBE STAFF PHOTO / BARRY CHIN

Betty MacAskill helps her father, David Hancock, who has Alzheimer's disease, in their Arlington home.

For a family with an ill relative, cuts in home care add hardship

By Alexander Reid
GLOBE STAFF

Each weekday morning Betty MacAskill undertakes a routine that has become a wearying chore in her household. She bathes and dresses her 79-year-old father, David Hancock, a victim of Alzheimer's disease.

"It's actually more work than taking care of a small child," said MacAskill, 50, of Arlington.

MacAskill has had the help of a state-sponsored health aide, but recent budget cutbacks will trim the aide's hours from 20 to 18 a week.

For MacAskill and her family and people like them, the loss of even two hours is enough to throw the family into chaos.

"Two hours is like a day. That's precious time to us . . . David consumes every minute, every second of any time that we have," MacAskill said. "Losing those two hours means two hours we don't have to rest, to run out to the store or tend to ourselves. We need all the help we can get. We are not rich. We've paid taxes for this."

Across Massachusetts, budget cutbacks in the state's home care program have forced similar hardship on thousands of elderly people and their families.

Many, like Hancock, have simply had their service hours reduced. Others have had their home care programs eliminated altogether, officials said. In fact, the problem has become so great that thousands of other seniors waiting to enter the program may never be admitted, though they are eligible.

"This is the one resource that gives dignity to many elderly people. . . It helps them live in the environment of their own home and it gives them a measure of independence," said Paul J. Lanzikos, secretary of the state Office of Elder Affairs. "The alternative is a nursing home. That's not very ideal."

The state's 15-year-old home care program is, by far, the most significant service offered to seniors living in Massachusetts.

ELDERLY, Page 32

or family, home care cuts add hardship

■ ELDERLY

Continued from Page 23

For many seniors, home care is perhaps the main thing keeping them out of a nursing home. Many seniors seeking these services live alone, are widowed and live in subsidized housing or with family members.

Clients must be at least 60 years old and have incomes below $13,580 to be eligible for the program. The income limit for elderly couples is $19,238.

"It's one of the best things the state has done for the elderly... It's an essential service," said Mark Rukavina of the Massachusetts Senior Action Council, an advocacy group.

Funds for home care, which are appropriated by the Legislature, are distributed by the Office of Elder Affairs to 27 regional nonprofit home care corporations, which then subcontract for services with social service agencies. The agencies perform services that include meal delivery, homemaking, transportation and companionship. The corporations collect client cases and refer people to provider agencies.

The state's deepening fiscal crisis, however, has changed the scope of the program.

Fewer people being served

According to Lanzikos, the program was initially targeted to receive $127.8 million from the state government in the 1990 fiscal year, with an additional $3.7 million raised through Medicaid reimbursements and fees paid by some home care clients.

However, cuts have reduced the home care budget to $120.7 million for the 1990 fiscal year, compared with $132.3 million the program received for 1989. It is expected to receive $124.7 million next year.

As a result, fewer people are being served, officials say.

GLOBE STAFF PHOTO / BARRY CHIN

Betty MacAskill administers medicine to her father.

Last year, 45,000 seniors received some type of service from the program. This year, because of cuts mandated as a result of the budget crisis, 38,500 people will be served, according to state officials. In an average month, at least 500 seniors seeking home care are turned away by agencies , officials said.

Al Norman, director of Mass Home Care, an agency that represents home care corporations, said, "The impact goes far beyond dollars. This will cause a tremendous amount of human suffering . . . 1989 has been a long, dark night for many of our older people. Anyone who says no one is being hurt by these cuts is adding to a tremendous hoax."

A growing waiting list

At the home care corporation handling cases in central Boston, social workers stopped taking new cases in October. As a result, 90 names have been added to a growing waiting list.

"It might get worse," said Terry Ann Lunt, director of that office. "It's unconscionable, but if we have more cuts a lot of senior citizens will end up in desperate circumstances."

At a Cambridge-Somerville corporate office, officials have closed admissions to all but the most desperate cases.

"The people who stand the best chance with us are the ones who have arthritis, are unable to cook a meal, unable to bathe themselves, have difficulty walking with a walker and no family," said John O'Neil, director of that office, who added that his office is able to handle about 40 referrals out of the 150 people who approach his agency every month. "Even then, it only means that have a chance of getting in. Nothing is guaranteed," he said.

If cutbacks mean hardships for the clients, it also means added stress for the family members who often become the sole caretakers of elderly relatives who cannot fully take care of themselves.

Many expect to care for relatives

According to a recent study by the Health Action Forum, 65 percent of employees working in the Boston metropolitan area said they expect to care for an older relative within the next five years.

MacAskill's predicament underscores the significance of home care services.

Her father needs someone not only to help him bathe and dress, but also to monitor his visits to the bathroom. Because he still has use of his legs and is able to walk, his aimless strolls around his apartment must be watched in case he falls. Since he suffers from diabetes, his insulin dosages have to be administered.

"It's an incredible burden," said MacAskill, who works part time as a medical equipment operator. She, her husband and her daughter's family share the two-family house with her father.

The home care aide, Angela Elliot, gives the family some respite during her four-hour visits each weekday morning.

"Those few hours mean so much," MacAskill said. "It's such a drain taking care of somebody with Alzheimer's... We need the break. We're at wit's end as it is. All of our lives are wrapped up around him and his condition gets worse with time. We need more of Angela's time here, not less."

[illegible]

Goodbye to politics — Susan Wiltshire in February announced that two terms as selectman was enough. She said she would continue to be active in town affairs but not from a position in town goverment.

$24m drop seen in lottery aid to cities

Globe 12/28

GLOBE STATE HOUSE BUREAU

Cities and towns in Massachusetts are likely to receive $24 million less this year in lottery revenues than the state estimated they would in August, according to the Massachusetts Municipal Association.

The estimate of the lower-than-expected lottery revenues comes at a time when cities and towns are pushing the Legislature to pass two measures that municipal officials believe will save money on employee health insurance.

"This loss exacerbates the fragile situation in all of our communities," said Sheila Cheimets, the association's executive director.

An exact estimate of how much money would be available to the cities and towns was not available. The association blamed the decline in state aid to cities and towns from lottery proceeds on "a decline in lottery play" and "last year's effort to divert lottery money to state coffers."

But Charles Baker, an assistant to Administration and Finance Secretary L. Edward Lashman, said none of the money has been given to the state's general fund. Instead, he said, lottery receipts have come in lower than expected this year, although still higher than last year. "We had planned on sending $326 million to cities and towns this year and it doesn't look as if we'll be able to do that," he said.

State law requires that no more than $306 million be sent to cities and towns from receipts from daily numbers and instant lottery games. A provision in the 1990 budget passed by the Legislature also mandated a $20 million fund from lottery proceeds to be used by cities and towns on an emergency basis. That $20 million has already been distributed to a handful of municipalities.

Times 12/27/89

Christmas baby born at Beverly Hospital

Couple rushes over state line to deliver their first child

By **KELLEY BOUCHARD**
Times staff

BEVERLY – The first and only Christmas baby born this year at Beverly Hospital broke the speed limit on the Massachusetts Turnpike to arrive nearly five weeks early.

Kim and David Spencer zipped up from Woodstock, Conn., Monday morning and arrived at Beverly Hospital an hour before the birth of their first child, Eric Spencer Collins.

Undaunted by wary state police and unhindered by high-speed coaching attempts, David Collins got his wife to the hospital in less than 1½ hours.

"A state cop in Massachusetts stopped us because we were going about 85 mph," Kim Collins said. "Dave just pointed to my stomach and he let us go. He didn't want to have anything to do with us. Dave said he looked kind of young. I didn't see him. I was too busy with my contractions."

Traveling north on the turnpike, David Collins drove at a steady speed as his wife gripped and pulled on the handle over the Honda Prelude's passenger door with each wave of contractions.

"I was a little nervous on the road," said David Collins, a mortgage representative at the Homeowners Savings Bank in Swampscott. "I was trying to drive and do the breathing with her and give her water all at the same time."

The Belmont Street couple spent Christmas Eve at the Collins homestead in Woodstock, where they spent the night. When Kim Collins awoke Monday morning, she knew her time had come even though the baby wasn't due until the end of January.

"When we left Woodstock at 8:30, I didn't realize I was going into labor," said Kim Collins, a children's therapist at the North Essex Community Mental Health Center. "I didn't have my first full contraction until we were on the road."

> “
>
> ***A state cop in Massachusetts stopped us because we were going about 85 mph. Dave just pointed to my stomach and he let us go. He didn't want to have anything to do with us. Dave said he looked kind of young. I didn't see him. I was too busy with my contractions.***
>
> ”
>
> **– Kim Collins**

Expecting several hours of labor, the couple figured they had plenty of time to get home and wait for the contractions to increase. But soon after they crossed the state line, David Collins called ahead on the car telephone he borrowed from his brother to warn the hospital of their impending arrival.

"By that time, the contractions were right on top of each other and we knew we wouldn't be able to stop home," Kim Collins said.

Because he arrived early – with the majority of the three-hour labor occurring on the road – Eric Spencer Collins weighed in at a small, but healthy, 5 pounds and 10 ounces.

"It's the best present ever," Kim Collins said. "We had a good Christmas this year."

Eric Spencer Collins is the grandson of Dr. and Mrs. Donald Gallagher of Baltimore, Md., and the Rev. and Mrs. Conrad Collins of Woodstock, Conn.

North Shore Birth Center included in national study

By **KELLEY BOUCHARD**
Times staff

BEVERLY – The North Shore Birth Center at Beverly Hospital was one of 84 centers across the country that participated in a study to be published Thursday in the New England Journal of Medicine.

The study, based on detailed information gathered at birth centers from coast to coast, shows that free-standing birth centers can provide a safe alternative to hospital childbirth for healthy women with normal pregnancies.

"It's what we've been saying all along," said center director Joyce Ricker, a registered nurse with a bachelor's degree in science and a certified nursing midwife. "Now we have the information to back it up."

Since the Beverly center opened in 1980, more than 2,200 children have been born there, where mothers can leave as early as four hours after giving birth or take advantage of the nearby hospital if an emergency arises.

Either way, midwives attend each birth and provide mothers with guidance throughout pregnancy and afterward. The center also provides family planning assistance and gynecological examinations.

The study, reported by the Columbia School of Public Health, analyzed the experiences of nearly 12,000 women admitted for labor and delivery at the 84 centers from mid-1985 through 1987.

"Few health service innovations give simultaneous promise of lower cost, greater availability and high satisfaction with equal safety," the study concluded. "The results of this study suggest that modern birth centers can identify a group of women who are at low risk for obstetric complications and care for them in a way that provides these benefits."

Ricker said the Beverly center, with the permission of its patients, provided detailed information for the study about each mother's medical history, pre-natal care and short-term aftercare.

The study also documented the personal experiences of families who used the center.

The study concluded that safety at the centers, as measured by maternal and infant mortality, was similar to that of university and community hospitals documented in other studies.

Of the 11,826 births covered by the study, no mothers died in childbirth. The total infant mortality rate was 1.3 babies out of every 1,000 and less than one out of every 1,000 excluding lethal congenital birth defects.

The vast majority of women in the study reported that they would recommend birth centers to their friends and would return to a center for subsequent births.

Globe 12/28

NEW HAMPSHIRE

Senate head sees abortion rights bill passing in '90, losing to veto

ASSOCIATED PRESS

CONCORD, N.H. – Senate President William Bartlett predicts the Legislature will pass a bill in 1990 protecting a woman's right to an abortion, but may not have the votes to override a gubernatorial veto.

Bartlett said the big debate over the issue will be in the House, although he thinks it will pass.

"I think you'll see the Senate pass the legislation allowing abortions in the first six months by a 2-1 margin. The question remains if the support is solid enough in the House to withstand a veto," said Bartlett (R-Kingston).

Gov. Judd Gregg already has said he will veto this latest abortion rights measure if it reaches his desk.

Bartlett said he has not studied the bill and has no position on it yet. He has opposed abortion rights legislation in the past.

In 1989, the Legislature approved a bill to repeal three 19th century laws outlawing abortions. The 1973 Roe vs. Wade decision in the US Supreme Court nullified those laws, which spell out potential criminal penalties against a doctor performing an abortion.

Neither the House nor the Senate could muster a majority to overturn a veto from Gregg, a first-term Republican who has said he is against abortions.

"The governor did the right thing last year, no matter how much flak he caught for it. You can't leave the state without any laws, and that's what that bill would have done," Bartlett said.

"You have to have some protections, especially for the medical profession, which would have been open to malpractice and wrongful death suits for doing abortions after the second trimester," Bartlett said.

He said the latest bill was more rational.

Sponsored by Rep. Peter Burling (D-Cornish), the 1990 bill would outlaw abortions after six months of pregnancy except in cases where there is a congenital deformity in the fetus or risk of death to the mother.

Sen. Charles Bass (R-Peterborough) is a cosponsor.

Peg Dobbie, executive director of the New Hampshire chapter of the National Abortion Rights Action League, said the abortion rights campaign is centering on the House, where about 100 of its 400 members have contradictory voting records.

"About a quarter of the House has voted both antiabortion and prochoice in the past. We're trying to educate them on the merits of this bill and bring them over to our column. They will be the determining factor on a veto override, I believe," Dobbie said.

Another clip
on Doug Littlehale
is in the 1990
press book (Jan 4)

DAILY EVEning Item 12/27/89

Participating in a ceremony to name the family lounge of Beverly Hospital's maternity department in his honor, Douglas S. Littlehale, second left, is joined by Robert Fanning Jr., hospital president, Barbara Littlehale and Susan Wiltshire, chairman of the board of directors.

12/28 Bev Times

LOUNGE NAMED FOR TRUSTEE: In a ceremony on Dec. 18, Beverly Hospital honored longtime trustee **Douglas S. Littlehale** by naming a family lounge in the maternity department in his honor.

Littlehale was first elected to the Beverly Hospital board of trustees in 1969. He has served as a member of the executive committee, planning committee chairman and first vice President.

A Beverly resident, Littlehale retired as a general manager of Morton Thiokol Alfa Products, a division of Ventron, several years ago. In addition to his leadership role at Beverly Hospital, he has been active in the United Way of the Central North Shore.

SAL EV NEWS 12/28

DOUGLAS S. LITTLEHALE
FAMILY LOUNGE
December 1989

Beverly Hospital has honored its 20-year trustee Douglas S. Littlehale, second from left, by naming a family lounge in the maternity wing for him. From left are Hospital President Robert Fanning Jr., Littlehale, his wife, Barbara, and Susan E. Wiltshire, chairman of the hospital's board of trustees.

Hospital names lounge for Littlehale

BEVERLY — Beverly Hospital officials recently honored long-time trustee Douglas S. Littlehale by naming a family lounge in the maternity department in his honor.

Littlehale, a longtime Beverly resident, was first elected to the hospital board of trustees in 1969. He has served as a member of the executive committee, planning committee chairman and as first vice president.

Littlehale retired several years ago as general manager of Morton Thiokol Alfa Products, a division of Ventron.

In addition to his involvement at Beverly Hospital, he has been active in the United Way of the Central North Shore.

He and his wife, Barbara, have two sons.

The next decade to signal new era for Hunt Hospital

For better or for worse, change looms on the horizon

By Betsy Johnson

The new decade will signal the beginning of a new era for Hunt Hospital.

If town officials are able to negotiate a relationship with another hospital in the coming year to shore up its beleaguered finances and create a stronger institution, Hunt will survive, but perhaps not in its present form.

Similarly, if town officials are unable to work out a deal to share some services or space with another facility, it could force a more drastic decision, such as further reducing the hospital's work force and services.

Hospital administrator David Stansberry said no matter what the eventual outcome, the hospital faces a challenging year.

Hospital officials also stand prepared to launch "aggressive marketing strategies" in an attempt to increase revenues.

Some of the specifics of those strategies have already been determined, according to Stansberry, but he said he could not release the plans without jeopardizing their effectiveness.

Stansberry said he expects growth in the hospital's outpatient services. The percentage of revenue generated from outpatient services has increased at most hospitals, and Stansberry expects the trend to continue.

In addition, Hunt Hospital will continue to attempt to recruit new family practitioners and internists. The more primary care physicians the hospital has in its employ, the more specialists the facility can support, Stansberry said. This creates an ever-widening circle of physicians related to Hunt and ultimately increases both the level and type of service available at the hospital and generates more revenue.

Another source of revenue the hospital is trying to tap is "managed care" or Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs). While Hunt is currently host to some patients of doctors who are a part of the Bay State HMO, it would like to negotiate contracts with other HMOs whose doctors would then refer their patients to Hunt.

Balance needed

This is part of a push to attract more "private" patients, those whose health care is not paid for by Medicare or Medicaid. While Stansberry said Hunt Hospital is anxious to provide care for any who need it, a balance between private and public patients is necessary to keep the books balanced.

According to Michael Morris, the hospital's director of fiscal affairs, the hospital is continuing to struggle against formidable odds to be financially viable.

The fault lies primarily in over-regulation and an abandonment at the federal level of sensible, realistic reimbursement policies, Morris said.

"Our costs at this hospital last year increased by slightly more than 8 percent and the federal government increased funding under the DRGs between 1 1/2 and 2 percent," Morris said.

This year the federal government has increased reimbursement to between 3 and 4 percent, Morris said, but it is still not enough to make up the soaring salary increases necessary to attract quality doctors and nurses.

"The cost of doing business in the northeast is much greater than in Kansas or Iowa. To get medical personnel in this part of the country, you have to pay more," Morris said.

The federal government sets its reimbursement formulae on the basis of a national average. While the costs for hospitals in some states are at or below average, costs for health-care facilities in the northeast are far above average and federal reimbursements have not kept pace.

While the worst of the nursing shortage is thought to be over, hospitals still need to offer attractive and substantial salary and benefits packages to get and keep new nurses.

"The gap between our revenue and our ability to control expenses is getting somewhat wider," Morris concluded.

"I see the financial picture, at best, staying the same or, at worst, declining more over the next two years," he said.

The hospital's goal is to match the town's $26,600,000 appropriation for this fiscal year with cash receipts by the end of the fiscal year, June 30, 1990. Thus far, the books show slightly more than $12 million in cash receipts through November. Morris estimates the hospital is running about $500,000 behind for the first six months of the fiscal year.

To aid in countering that trend, Hunt has hired a billing agency to help the hospital's staff re-bill for unpaid services.

Despite efforts to increase revenue, "It is safe to assume right now that even under the best of circumstances, there will be an accrued deficit and there will be some form of cash deficit," at the end of the fiscal year, Morris said.

VNA brochure on home health

Danvers Herald 12/28/89

The Visiting Nurse Association (VNA) of North Shore, Inc. in Danvers, has announced a new brochure describing the agency and its home health care services.

The brochure, "Meeting Today's Home Health Care Needs," features information on the agency's history, how to access VNA care, insurance coverage and more.

In honor of National Home Care Week, Nov. 26-Dec. 2, the VNA of North Shore is making this brochure available. Call the agency at 777-6100 to receive a free copy or to ask any questions about home health care.

SPEECH AND LANGUAGE CLINIC: Beverly Hospital's Center for Communication Disorders will hold a free hearing and speech/language screening for area children at Cable Gardens, 100 County Road, Ipswich, adjacent to Cable Emergency Center. Appointments are required. Screening will be held Monday, Jan. 29 from 9:30 a.m. to 1:30 p.m. in Memorial Hall. The speech-/language screening is for children age 2 to 6 and the hearing screening is for children age 3 to 6. To schedule an appointment, call the hospital's Community Relations Department at 922-3000, Ext. 2480. Bev Times 12/29

Ips Chron 12/28

Health clinics

The Bay Area Visiting Nurse Association will be sponsoring their monthly Health Maintenance Clinic on Wednesday, Jan. 3, from 1—3 p.m.

The clinic is held at the Congregational Church Hall in Rowley, and all Rowley residents over the age of 60 are encouraged to attend.

Stroke Club meets Thursday

Danvers Herald 12/28

The monthly meeting of the Beverly/Danvers Stroke Club will be held Thursday, Jan. 4, at 1 p.m. in the lecture hall at Beverly Hospital, Herrick Road, Beverly.

Paul Lydon, Easter Seal swim Instructor, will speak on the benefits of the Easter Seal swim program at the Paul Lydon Aquatic center in Danvers.

Health costs soared in 1988

Salem News 12/29

WASHINGTON, D.C. — Employers paid 16 percent more for their employees' health benefits in 1988 than they did in 1987, according to the 1989 edition of the U.S. Chamber of Commerce Employee Benefits Survey.On a per employee basis, including retired workers, medically related benefits rose from 8 percent of payroll costs to 8.7 percent — from $2,189 to $2,538. Costs for active employees alone were up 19 percent.

Danvers Herald December 28, 1989 Page 11

Health clinics for elderly scheduled during January

The Visiting Nurse Association of North Shore, Inc., has announced the senior health clinic schedule for the month of January.

The first clinic will be held at Hawkes Manor, Tuesday, Jan. 2, from 10 a.m. to noon.

The Council on Aging's Senior Center will be the site for clinics on four successive Fridays, beginning Jan. 5, from 12:30 to 2 p.m.

On Wednesday, Jan. 10, a clinic will be held between 10 a.m. and noon at January 10, Highland Manor.

The Fairweather Apartments will host a clinic Wednesday, Jan. 17, from 10 a.m. to noon and then there will be a clinic at Tapley Manor Wednesday, Jan. 24, from 1 to 3 p.m.

The clinics are free and open to Danvers residents 60 years of age and older. VNA nurses provide health assessments, blood pressure screening, weight, pulse, heart and lung monitoring, and diabetes testing and screening.

The nurses will also be available to discuss matters pertaining to general health, medication and diet.

The clinics are funded, in part, by the Danvers Board of Health and client donations. Appointments to take advantage of this service may be made by calling the VNA of North Shore at 777-6100.

When public schools are closed due to inclement weather, the clinic scheduled for that day will be cancelled.

Concern expressed over Boston hospitals

Boston globe 12/29/89

By Brian C. Mooney
GLOBE STAFF

Boston officials said yesterday House-Senate conference committee recommendations to cut Medicaid costs potentially could be "devastating" to the city's three public hospitals and plans to build a new Boston City Hospital.

Under a worst-case scenario, the plan could reduce reimbursements to the city – now $77 million a year – and jeopardize the proposed $170 million, 356-bed inpatient facility for BCH, officials said.

But Health and Hospitals Commissioner Judith Kurland and state Rep. Kevin W. Fitzgerald (D-Jamaica Plain), who is a member of the BCH board of trustees, said they hope steps can be taken to exempt so-called disproportionate care hospitals, such as BCH and other publicly owned facilities that provide care to the poor, from the bill's impact.

The measure, if enacted, would allow the state Department of Public Welfare to establish new rates and create its own Medicaid Health Maintenance Organization in an attempt to contain health care reimbursements.

"It could hurt us very much or it could be neutral because it is only enabling legislation that would allow Public Welfare to make changes," said Kurland. "It doesn't say they must do them or how they should apply."

" 'Could' is the important word," said Kurland. "If they decide to do all of these things and apply them equally to everybody, it could be devastating to us," she said.

Medicaid now accounts for nearly half of all revenue generated by the city's three public hospitals – BCH, Mattapan and Long Island.

The Federal Housing Administration is studying Boston's application for US-backed bonds for the new BCH facility. The bonds would be repaid out of hospital revenues, so any change in Medicaid reimbursements could be crucial, said Kurland. Meanwhile, the city believes the committee recommendation to require all public employees to pay at least 10 percent of health insurance premiums could help Boston finances if it passes.

Robert J. Ciolek, acting director of administrative services, said it could save the city $1.8 million in the next six months by shifting to 10,292 city employees the cost of HMO coverage – typically about $30 a month for a family plan. Ciolek said the city now pays 75 percent of health insurance premiums for about 10,000 employees enrolled in Blue Cross plans but pays a much higher percentage for the less costly HMOs.

Amid charges, $120m in spending is eliminated

Boston globe 12/29/89

By M.E. Malone
GLOBE STAFF

Amid a stream of charges that neither Gov. Dukakis nor the Legislature has cut enough from the state budget, the House and Senate yesterday eliminated just $120 million worth of spending in the state's $12 billion budget, more than half of which has been frozen by the administration.

According to figures provided by budget officials, the administration had already frozen about $75 million of the approximately $120 million.

"Most of the cuts in this conference committee report are already being done under 9C," Dukakis said yesterday, referring to the governor's power to unilaterally freeze spending.

The Legislature's inclusion of the governor's cuts in its package mandates that the reductions be made rather than leaving them to Dukakis' discretion.

"We didn't wait for the Legislature," Dukakis said. "They're confirming" administrative cuts, he said. "I'm delighted they're doing that, but we have to find the savings."

Dukakis ordered in October that his department heads find $120 million in cuts and savings in their budgets, but only $90 million was found at the time.

Since then, the Legislature, in its package, mandated about $105 million in cuts in line items controlled by the executive branch. The other $15 million is in accounts controlled by the courts or other constitutional officers.

The House and Senate package also mandated that Dukakis unilaterally cut an additional $30 million from his administrative accounts as part of their compromise budget-reduction package.

The Legislature's package does not reflect all the cuts toward which the administration is working, officials there said.

For example, Philip Johnston, human services secretary, is cutting $52 million while preliminary estimates call for $30 million.

According to Louise Povall, assistant secretary for management and budget, the Legislature mandated fewer cuts in mental health, $6.5 million, mental retardation, $3 million, social services, $2.5 million and public health, $2.7 million.

She said that most of the cuts have already taken place, or will soon, since layoff notices have been sent to employees and providers have been notified that their contracts will be terminated.

Much of the package relies on new nontax revenues, rather than further trimming the state budget. Among the biggest items to bring in new cash were those requiring state authorities to repay debts to Massachusetts, charging state college trust funds for employee fringe benefits, and instituting new fees and fines.

Budget cuts have become this year's rallying cry from some members of the public and Legislature who do not want to see taxes raised and led to words yesterday between Dukakis and House Ways and Means Chairman Richard A. Voke (D-Chelsea).

Voke accused Dukakis of failing to exercise his power to restructure his own government, fire press secretaries and make other symbolic cuts at a time when the public is demanding it.

Dukakis countered that Voke has tried twice this year to legislatively strip the governor of his power to unilaterally make cuts in the budget.

"Who's kidding whom?" Dukakis said in anger.

Among the cuts mandated by the Legislature that were not included in the administration's plans is a proposal to further slice the state's service and consultant contracts. Dukakis would not say yesterday if he would veto the provision, instead saying the administration had already cut the account in half over the last three years.

Several changes mandated by the Legislature will not take place until next year, including a provision to combine the four police forces that operate under the state into one and another to study the removal of illegal aliens from obtaining welfare benefits.

Line item cuts (in millions of dollars)

Agency:	House plan	Senate plan	Joint Panel
Legislature	$ 2.1	$ 2.3	$1.3
Courts/District attorneys	14.0	0.0	7.7
Executive	1.2	0.3	0.5
Treasurer	3.8	2.7	3.8
Administration and Finance	11.4	8.4	9.9
Environmental Affairs	31.5*	5.9	5.9
Communities and Development	16.4	8.5	12.1
Human Services	24.4	30.4	32.5
Transportation	8.1	5.4	5.4
Education	5.5	3.6	4.5
Board of Regents	25.0	25.1	25.7
Public Safety	24.0*	3.3	3.4
Economic Affairs	3.5	0.5	1.2
Consumer Affairs	2.9	0.9	0.9
Other	1.9	7.8	6.2
TOTAL	127.7	105.1	121.0
Additional cuts to be made by Gov. Dukakis	0.0	30.0	30.0

*The House proposed moving funding for the Metropolitan Police from Environmental Affairs to Public Safety

Source: House and Senate Ways and Means Committees

Savings plan sent to governor

Bev Times
12/29

vernor

By KEVIN GALVIN
Associated Press

BOSTON – A legislative plan for $351 million in cuts and savings in state spending was on the governor's desk today, but the package only partially closes the state's estimated $825 million budget deficit.

Republicans in both chambers said the state was faced with "a prescription for new taxes." But as Gov. Michael S. Dukakis squared off with the House Ways and Means Committee chairman over the fiscal crisis, new taxes were pronounced dead for this legislative year.

The House received the package from a conference committee early Thursday morning and legislators worked all day to push the bill through the final stages of debate. Dukakis said he would not sign it until next week, at the earliest.

The bill directs the governor to reduce his administration by another $30 million and restructures the state's cost of Medicaid and health insurance for state employees.

It also drastically reduces the number of press secretaries and legislative liaisons in the administration and clears the way for the state's major police forces to be merged under the Department of Public Safety, beginning July 1,

Package, page A8

BUDGET PACKAGE AT A GLANCE

HEALTH INSURANCE

All state and local employees would be required to pay at least 10 percent of their health insurance costs. MBTA employees also would be required to contribute 10 percent beginning April 1, 1991.

Currently employee contributions vary. The MBTA pays 100 percent of its employee health insurance costs and many state employees who enroll in health maintenance organizations also make no contributions now.

Budget, page A8

's at a glance

ay for solid and hazard-
clean up and recycling

LICE MERGER

posal clears the way for
Capitol, Registry and
an police to be merged
Department of Public
inning July 1, 1990.

MINISTRATION

ministration would be
make an additional $30
cuts. The governor's
uld be trimmed from 10
abinet secretaries and
s policy offices would be
by May 1. One provi-
d limit each secretariat
titutional office to one
retary and one legisla-
. There are currently
press secretaries.

SCELLANEOUS

gislature would be pre-
m hiring any new court
eople who serve as
rs and security guards.
and towns would be
ore flexibility in collect-
ssessing taxes.
ackage also authorizes
islative studies into the
consultants at several
cies.

---

administration for failing to pare down government. The governor responded Thursday, saying Voke had "painted himself into a no-new-taxes corner" and was looking for a way out.

The governor said many of the provisions in the cuts package were already being carried out by his administration and that about $600 million in new taxes would be needed to close the deficit.

But Dukakis clearly abandoned his hope for a tax package before the legislative year ends Jan. 2.

"I'm not a dictator around here, I can't set dates," he said.

Dukakis has veto power over every line item in the package. If

Rep. Walter DeFillipi, D-West Springfield, urged the House to reject the package.

"Because this report is a prescription for new taxes, I hope it is rejected and I hope it is sent back to the conference committee for more cuts," DeFillipi said.

Pierce, the minority leader, argued before an earlier vote that the conference committee could cut enough to eliminate the need for new taxes before the fiscal year ends in June.

Pierce said Dukakis was "the laughingstock in the nation" and that lawmakers should not expect him to actually make $30 million in cuts in his administration.

"He is asked to make $30 million

this documents?" Pierce
here anything more fruit-
that?"

rats in both chambers
the conference commit-
eliminating the Legislative Research and Services bureaus, which some claim perform little service for the state.

Sen. Francis Doris, D-Revere, said provisions requiring state and local employees to pay at least 10 percent of their health insurance amounted to a new tax.

"Shifting costs to state employees is not a savings," Doris said.

Included in the conference report was a bill that would allow the state to seek forfeiture of the property and possessions that was purchased with the proceeds of drug sales.

Law enforcement authorities have said the forfeiture bill would be an important tool in battling drugs.

Legislature approves $350m budget reduction plan

Dukakis, Voke quarrel over spending

By Bruce Mohl
GLOBE STAFF

Gov. Dukakis clashed publicly with the House's top budget official yesterday in a war of words that highlighted the widening split among top Democrats on the handling of the state's fiscal crisis.

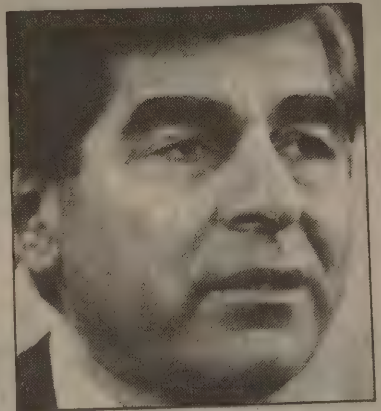
Dukakis, taking on one of his most powerful critics in the Legislature, lashed out at Rep. Richard A. Voke (D-Chelsea), the chairman of the House Ways and Means Committee, for his statements that the administration has not done enough to cut spending.

The governor accused Voke of sending him an out-of-balance budget in July, of overestimating tax receipts and of saying one thing in private on spending cuts and another in public.

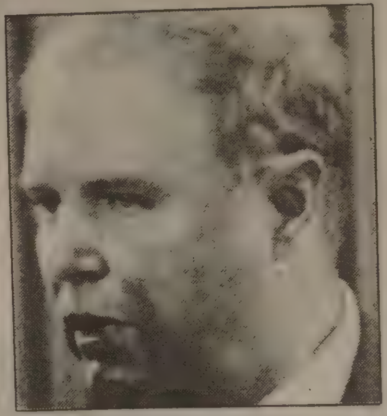
"Richie Voke used to stand for something. Frankly, these days I don't know what he stands for," Dukakis said at a State House news conference.

Voke responded to Dukakis during

DUKAKIS, Page 7



GOV. DUKAKIS
Voke has "serious problem"



REP. RICHARD A. VOKE
"Felt betrayed" by Dukakis

House leaders ready tax hike package

By Renee Loth
GLOBE STAFF

The Legislature approved a $350 million budget-reduction package yesterday, allowing House leaders to step up plans for presenting a tax increase plan at the start of the new year.

Rep. Richard Voke (D-Chelsea), chairman of the House Ways and Means Committee, said the House leadership was "very close" to securing the 81-vote majority needed to enact a tax package to help close an estimated $820 million deficit for the rest of this fiscal year.

■ **More on the Massachusetts fiscal debate, Pages 21, 23.**

Voke and other leadership sources said the "framework" of a tax plan that would be acceptable to rank-and-file members was in place, but Voke declined to detail specifics. He also predicted the tax package would be

BUDGET, Page 7

...ing. I stand for good and competent government," Voke said. "I haven't changed."

The long-simmering feud between Dukakis and Voke erupted yesterday in the wake of comments by Voke that the administration is doing a poor job of controlling state spending and probably could not balance the budget even "if they got all the taxes in the world."

The irony of yesterday's sharp exchange between the two leading Democrats was that both their attacks were in large measure correct. Dukakis zeroed in on Voke's budgetary missteps since July while Voke blasted Dukakis for submitting an "unrealistic" fiscal 1990 budget in January that called for an 11 percent increase in spending financed by $600 million in new taxes.

Impasse is feared

Many lawmakers said they feared the infighting between Dukakis and Voke would undercut efforts to reach a consensus in the divided House on a resolution to the state's fiscal crisis.

Rep. Robert Havern 3d (D-Arlington), who listened closely to

..., she said.

Voke, who has acknowledged the need for additional tax revenues but has been reluctant to lend his support to a tax package, remained evasive on that issue yesterday. Even though the House was wrapping up action on a package of spending cuts, he said it was still too early to say how big a tax package is needed.

Dukakis, at his news conference, praised every legislative leader for his or her efforts to resolve the fiscal crisis and then launched into a strong attack on Voke.

"I think Richie Voke has got a serious problem. He painted himself into a corner in January and he's been trying unsuccessfully to get out ever since," Dukakis said.

In January, Dukakis unveiled his spending plan for this fiscal year. It called for $12.9 billion in spending, an 11 percent increase over fiscal 1989. It was to be financed in part by $600 million in new tax revenues.

A month later Voke came out with his own spending plan, cutting $600 million out of the governor's budget and scrapping the $600 million tax plan. Voke's budget came to be called the "no-new-taxes" budget and took on a life of its own in the Legislature.

In July, Dukakis vetoed or froze $491 million in spending contained in the budget approved by the Legislature. Voke, relying on tax revenue estimates far more optimistic than the governor's, said at the time that Dukakis had cut too much. He joined most of his colleagues in voting to override the governor's veto of $100 million in aid to cities and towns. Dukakis responded by freezing the $100 million.

Dukakis proved to be more right than Voke about the state's tax revenues, but both were way off. The revenue projections have continued to slide and, even with the governor's $491 million in cuts, the budget today remains close to $800 million out of balance.

The governor said yesterday that he invited Voke into his office in September to show him an administration package of $350 million in spending cuts and nontax revenue initiatives. Dukakis said he asked Voke to review it and get back to him.

Differences over events

"He said to me, after reviewing our proposal for $350 million, that I wouldn't know where to cut another dollar," Dukakis said.

...so in doubt was the fate of pro-
...ons forcing certain state authori-
... to pay for services previously
...vided by the state. For example,
... package requires the Massachu-
...s Turnpike Authority to pay for
...w and ice removal on the Mass-
...usetts Turnpike. Dukakis vetoed
...milar provision when it was pre-
...ed in the budget he signed in
...

...Also the subject of intense lobby-
... at the State House yesterday
... sections in the savings plans
...iring state and municipal em-
...ees to contribute at least 10
...ent of the cost of their health in-
...nce premiums.

...I feel like the Legislature has
...doned public workers," said
...y Felder, president of the Ser-
... Employee's International
...n's local representing social
...ers and some state college em-
...es.

...elder said that Dukakis ap-
...d at a Labor Day breakfast in
...ester in support of striking
... workers, whose labor dispute
...ed around employee contribu-
...o their health insurance pre-
...

State medical examiner resigns, hits cuts

BOSTON GLOBE 12/29/89

By Peter S. Canellos
GLOBE STAFF

Dr. Brian D. Blackbourne, the state's chief medical examiner, yesterday resigned because he said budget cuts have made it impossible for his department to provide basic services.

Some observers say Blackbourne may be the first in an exodus of public servants from state government as departments begin to feel the sting of budget cuts.

Blackbourne, whom Gov. Dukakis has praised for strengthening a system "that was in a shambles when he got here" in 1983, said he has accepted a position as chief medical examiner for San Diego County.

Blackbourne said in an interview yesterday that were it not for the state's fiscal crisis, he would have stayed.

"I was going to retire here," Blackbourne, 51, said. "But the fiscal situation is just such that I can't guarantee that medical examiner services will be maintained. If you're responsible for it, what are you going to do?"

The medical examiner's office is responsible for determining the cause of death in a wide range of cases, from automobile accidents to shootings to elderly people found dead in their homes. The office provides technical evidence for police in suspected

BLACKBOURNE, Page 22

medical examiner resigns, blames budget cuts

■ BLACKBOURNE

Continued from Page 21

homicide cases.

When Blackbourne arrived from Washington, where he was deputy chief medical examiner, Massachusetts was in the process of assuming medical examiner services that had been performed by county governments.

He said that in 1983, the medical examiner's office had a $3 million budget. After a recent 5 percent budget cut, the 1990 budget stands at $3.07 million.

"Level funding for seven years with inflation means you're going downhill," Blackbourne said. Over seven years, he said, he has opened four regional examiners' offices and raised the number of full-time employees from seven to 49. Most of the full-time positions replaced the services of numerous local physicians who were paid on a per case basis.

In a letter to Dukakis mailed this week, Blackbourne said he wrote that "We are two-thirds of the way towards an adequate medical examining system but far from an excellent one, which we started out trying to create."

He said he informed the governor that the medical examiner's facilities at Boston City Hospital "are the worst in any major city in the US."

Blackbourne said that to bring the system up to national standards, he would have to open two more regional offices and add 19 full-time staff positions.

"We could do all this with a budget of $4 million," he said. "We have a bare-bones operation now. Just a little more money would make it excellent. And even with a budget of $4 million, we'd still be at 79 cents per capita. Most places in the country are at between $1 and $2 per capita."

San Diego's budget is $1.40 per capita, he said.

State homicide investigators have repeatedly complained about the slowness of processing evidence through the medical examiner's office. In addition, extensive delays in the issuing of death certificates have been known to postpone the settlement of estates as long as eight months.

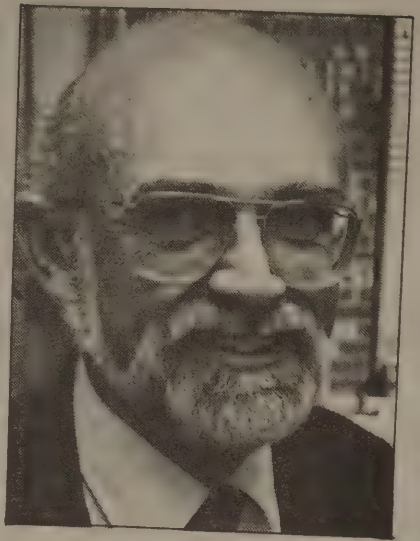
Sees worsening delays

Without more money, Blackbourne said, those delays will get worse.

"There won't be medical examiners to come out to the scene," he said. "Some homicides might be missed. Evidence will not be collected and may not be available in court. Suicides won't be picked up. There may be a long wait for death certificates for elderly people found dead."

> **'We are two-thirds of the way towards an adequate medical examining system but far from an excellent one, which we started out trying to create.'**
>
> BRIAN D. BLACKBOURNE
> Chief medical examiner

Charles Barry, secretary of public safety, said in a statement yesterday that "There is no question that Dr. Blackbourne was frustrated in his position. He was not able to put the kind of system in place that he wanted to because of budget matters and other issues which have been tied up in the state Legislature."



"He will be badly missed," Barry said.

State officials have praised Blackbourne's skills as a forensic pathologist in the past. But his tenure was clouded by charges made in 1988 by four legislators that he failed to report evidence of possible abuse of two children who died while in the care of foster parents.

Blackbourne acknowledged that he did not file a report of suspected abuse with the Department of Social Services even though he was concerned about "unexplained bruises" on the body of 2-year-old Henry Gallop, who died Aug. 11, 1987, in the home of James and Rachel Hill in Roxbury.

Three months later, on Nov. 17, 1987, 15-month-old Arron Johnson died in the Hills' home. Blackbourne listed Johnson's as a "sudden unexplained death."

GLOBE STAFF PHOTO / JANET KNOTT

Jamie Lee in lobby of Boston City Hospital.

BCH lobby a stop on homeless circuit

Boston globe 12/29

By Sally Jacobs
GLOBE STAFF

Policy forbids it. Staff and patients complain about it. Security officers discourage it and double-check the locks.

But when the nights grow bitter cold and there's not an empty bed to be found, a handful of the homeless creep down the corridors of Boston City Hospital and disappear into remote, dark corners for the night. They haven't come far: Odds are they've spent a good part of the day sitting in the lobby several flights below.

"I spent one whole night in the bathroom in the Medical Building," recalls Jamie Lee, a recovering heroin addict sitting on one of the blue plastic seats in the hospital lobby. "I sat sitting on the toilet so they wouldn't find me, you know."

Many were born in the sprawling complex of brick and cement that is the city's only public accute-care hospital. Many will die there as well. And in the time in between, some with nowhere else to go will pass their days in the lobby. Or rinse their other shirt in the bathroom sink. Or pinch a teabag from the cafeteria. It's the closest thing to a home some have got.

They filter in throughout the morning, one by ragged one,

BCH, Page 13

CH lobby becomes key stop on homeless circuit

BCH
Continued from Page 1

stabilized by their morning methadone fix or maybe a shot of vodka, and the greetings and hand slappings ring across the lobby as though they were attending a Beacon Hill cocktail party. It is the second stop on the homeless circuit, a rough trail that runs from methadone programs throughout the city to the hospital lobby, to Rosie's Place and other haunts where the meals are free, to dark alleys that host untold business, and ultimately, for some, back to the hospital.

Every now and then they cross the line. A drunk collides with one of the glass front doors. Another delivers a public address at the lobby's center. But for the most part doctors and nurses, patients and visitors, pass briskly through the lobby, the tattered figures clustered in the corners sliding unseen across their line of vision.

Hospital officials, however, know full well that they are there. The rule is this: Drugs and alcohol are off limits in the lobby, as is any behavior that might scare patients or staff. Commissioner of Health and Hospitals Judith Kurland also insists that the homeless not sleep in the hospital, although she acknowledges that a few of them slip in. But shut the door on them on an icy winter day, she will not do.

"The first part of the Hippocratic oath says that we will do no harm," explained Kurland. "If we don't let them come in from the cold, how can you say we are not hurting them? A lot of them are just ordinary people."

By late morning, most of the regulars have arrived, as well as a gaggle of extras.

There's Brenda, standing solid by her baby's stroller and waiting for her husband to return from the methadone program over in Brighton. Laverne has taken her place on the heating grates in the far corner, an angular form silently watching from under a black wool cap. Across the broad expanse of lobby floor, Kevin Holmes is catching up with the boys, a Puckish figure under a blue

GLOBE STAFF PHOTO / JANET KNOTT

Sylvia shares a moment in the Boston City Hospital lobby with Peter, who is homeless.

too, although less frequently.

It is also a place to get care. Many among the lobby group take part in the hospital's methadone program on Frontage Road and a good number use crutches or canes because years of shooting drugs into their legs has made it difficult to walk. Many also have AIDS or have tested positive for the AIDS virus. Here there's an AIDS clinic, a detox program, health services for the homeless and more. Intake for the Long Island shelter is right out back.

Then there are the things not on the list. Like the Pampers up in pe-

been established in the old laundry building behind the hospital. But for those who don't make it into the shelters, or refuse to go, the hospital is also a place to sleep.

The emergency room right off the lobby is the best bet – if you can sleep in a chair. In fact, some not looking for a place to sleep may find themselves sleeping at the hospital anyway.

"You play it like you got to see a doctor," said Kevin Holmes, 35, who was homeless until recently. "You say you've got something wrong, and then you wait. Usually you can sleep for near seven hours. Lots of people had doctors come into their quarters to find people sleeping," he added.

Security officers do their best to keep the homeless from sleeping in the hospital. But somehow, Saunders acknowledges, several manage to straggle in on the most frigid nights.

"They've been around for a long time," he said, throwing up his hands helplessly. "They know how to get in. When we find them we try to get them into a shelter or we'll move them into the ER if they're not a problem."

A lean woman in a black leather jacket and dark sunglasses is moving slowly up the row of lobby chairs: "Wanna buy some reefer?" she hisses repeatedly. "Wanna buy some reefer?"

No one does, and the woman sets to packaging her wares in small plastic bags on the heat vents. None among the small cluster of women around her pay any mind, including Brenda, who is still waiting with her infant son and young daughter for her husband, Walter, to show up. Although Brenda, 31, and her children recently moved out of the Embassy Hotel in Malden into a Dorchester apartment, she drops in to the lobby most mornings after stopping at the hospital's methadone program.

"It's boring at home," says Brenda, wearing her rose-colored hat and oversized gray coat. "People are nice here."

Sitting next to her is Kelly, one of the small group of mothers who often gather and may discuss their offspring at these morning meetings. Today, she says she is waiting for the noon train to Gloucester, where her mother lives.

At 31, Kelly, a former heroin addict, lives in an apartment across the street but often drops into the hospital for medical services for herself and her infant. In the past few weeks, she has been mugged twice, she says, and her identification as well as her vouchers for baby formula were stolen. Ultimately, she had to take matters into her own hands.

"I had to go to Christy's and steal Similac," she says, pushing her long auburn curls across her back. "I won't let my baby go hungry. I think the guy at Christy's knows, but he lets me do it anyway."

Not all who find their way to the lobby are as mellow as many among the methadone crew. Others stride in hurriedly, exchange a few urgent words and then head out, only to reappear and streak across the floor moments later heading to unknown points within the hospital.

A few among the older set stake out more remote spots, away from the commotion near the door, and sit quietly by themselves. One woman, a Liz Taylor twin in black robe and heavy blue eyeliner, says she's been homeless since her house burned down a few years ago. Some days she sits alone. Other times, she engages in polite conversation.

"I'm really just resting," she says, fluttering dark eyelashes. "I'm on my way out."

It is, finally, their lobby, as much the domain of the city's needy as it is of the sick. Other lobbies may be plusher, may attract a tonier crowd, but somehow they're not the same. And so the homeless keep coming back.

"You know, I walked by St. Elizabeth's Hospital the other day and I looked in and I thought, gee, isn't that funny no one's hanging out in there. Such a nice lobby," says Kevin Holmes. "But then I guess this is kind of our place."

BOSTON GLOBE 12/30/89

HMO, Hancock plan joint marketing

HARVARD COMMUNITY Health Plan and **John Hancock Financial Services** said they will jointly market products aimed at holding down health insurance costs.

The products will be tested on selected employers in Eastern Massachusetts. Harvard Community is New England's largest health maintenance organization; Hancock has a large national health insurance business.

"Too often HMOs and traditional insurers have an adversarial relationship, and employers feel caught in the middle," said Glenn Hackbarth, a Harvard vice president. "With this new venture employers can work with two companies that are equally committed to attacking their health care costs while preserving a choice of plans for employees."

Road to Beverly Hospital was a circuitous one

Bev Times 12/30/89

By VIRGINIA LOWRY
Times staff

BEVERLY – For Sue Gustafson, the road from newspaper columnist to hospital public relations director, like the road from Appalachia to the North Shore, was a circuitous one.

> “*Working in public relations and writing, for me, started by my writing a column in the Newburyport News...Using clips from those columns helped me get a start in professional writing and the professional writing led to the public relations work.*”
>
> **Sue Gustafson**
> **Beverly Hospital public relations director**

On the Job

But, for Gustafson, each path she has taken has been a logical one. Since beginning her job as public relations director at Beverly Hospital, she said she feels that she has “come home,” both personally and professionally.

She lives in Georgetown with her husband, Robert. Daughter Robin Wilson is a science teacher in Kingston, N.H., and son Eric is a student at Curry College, majoring in physics.

“Working in public relations and writing, for me, started by my writing a column in the Newburyport News,” Gustafson recalled yesterday. “Using clips from those columns helped me get a start in professional writing and the professional writing led to the public relations work.”

Gustafson at first freelanced and did some magazine writing, then went to work for North Shore Weeklies at the Georgetown Record.

Hospital work followed, with Gustafson working two years as assistant director of public relations at Salem Hospital, then three years as public relations manager at Lowell General Hospital. Meanwhile, she also taught public speaking and writing at Endicott College and Northern Essex Community College.

Gustafson said the transition from newspaper work to public relations was not a difficult one, except from “learning not to write newspaper-style. Newspaper style is so terse.”

She grinned.

In public relations and marketing writing, “I get to use adjectives again,” she added.

The hospital’s public relations director finds the pace of her post-newspaper jobs “much more challenging.” While news writing involves constant deadlines, she added, “in public relations, the pace is just as fast and it’s in a number of areas at the same time.

“Everything is ongoing. It’s going on at the same time. I don’t think I could work in a job that wasn’t deadline-oriented,” she said.

As well, the public relations director added, “I found it more interesting to do a complete range of activities, rather than just writing.”

From her cubbyhole-size office near the hospital’s front lobby, Gustafson performs the various parts of a job dictated by a six-page job description. Public relations, she said, is directed into several major headings, including media relations.

That, said Gustafson, generally involves writing press releases, “and also pitching the stories (and) making sure the hospital is well represented and correctly represented in the community.”

Gustafson also oversees special events such as health fairs and celebrations of openings. Only three months into the job, she already is looking forward to several upcoming openings, including the Women’s Health and Medical Arts Building and a new labor/delivery/recovery area in the hospital. Already open is the Cable Gardens congregate housing complex in Ipswich.

Although half a lifetime of living in the north has mostly eliminated her accent and Gustafson is warmly at home on the North Shore, she recalls vividly her life growing up in Eastern Kentucky. She also recalls the culture shock she initially experienced after “the lure of the city” brought her north.

Her hometown was a small one, said Gustafson, “and the county the whole time I was growing up was a dry county.” Nevertheless, there were “bootleggers and moonshiners” galore. It was, she said, typical “Bible Belt” country.

“However, you could go to any moonshiner and there were any number of places you could buy it,” she said.

When Gustafson left the county, it was a shock to discover that, elsewhere, “you could buy (liquor) in a store, or in a restaurant.”

Eastern Kentucky is coal country, and many of Gustafsons’ friends’ fathers worked the mines, “and came home with black faces and black hands.”

She also recalls well the even blacker side of the mining industry.

“I can remember the United Mine Workers wars with the owners where there would be explosions every night,” she said.

Cultural differences between Kentucky – at least then – and the North Shore are vast, according to Gustafson. Especially noticeable are the extreme “male chauvinist” attitude personal lifestyles.

“Many of my friends got married at 14 or 15 years old. That was the norm,” she said. Poverty was widespread, Gustafson added.

“I’ve seen poverty that’s, I think, incomprehensibleup here, even with homelessness,” she said.

While doing some social work, Gustafson said she discovered all about the life led by many people there. A house approached by social workers “was always beside a stream and there was always a pig in the front yard.”

Pigs are raised, she added, because every part of the animal is useful.

“There’d be 13, 14, 15 kids (and) the mother of these kids would never be more than 35 years old. There’d be a dirt floor, no plumbing.”

While she said residents of that small town were extremely poor, “they were very proud people,” Gustafson said. “They don’t feel sorry for themselves.”

Daily Evening Item 12/29/89

Hospital to address rumor it will close

J.B. Thomas chief to appear before Peabody council

By TOM FARMER
Item Staff

PEABODY — The chairman of the J.B. Thomas Hospital Board of Trustees has asked to appear before the City Council next month to detail the hospital's financial status and to address rumors that the hospital will close or be taken over by another institution.

The council last night accepted a letter from trustee chairman Joseph Delaneyrequesting a meeting before the council on Jan. 10. Delaney wrote the meeting is to "report to you on the present status of the hospital. He added the trustees would like to discuss "the various options available to us at this time."

With the hospital nearly $800,000 in debt, rumors have circulated that the hospital will close. Another rumor has Salem Hospital taking over the complete operation of the Peabody facility, including having authority over, or dissolving, the 15-member J.B. Thomas Hospital Board of Trustees.

Although appointed by the mayor and confirmed by the City Council, the trustees are an autonomous board and run the hospital without interference from the city. Since 1985, the hospital has had a management contract with Salem Hospital, which leaves most of J.B. Thomas' management under the direction of Salem Hospital.

Although the hospital is run by an independent board of trustees, it is still a city department. For years, the city has had to pay the hospital's yearly debt in order to have a balanced budget as required by state law.

Nearly $800,000 in debt, rumors have been circulating that Peabody's J.B. Thomas Hospital will either close or be taken over by another institution.

Item file photo

J.B. Thomas president Sheldon Aronson, a Salem Hospital employee, downplayed the possibility of the hospital closing, but said some type of takeover by Salem Hospital is one of the options that has been discussed by the trustees.

"What the trustees felt they should do since we're coming up to the first of year is give a state of health address as to how the hospital is doing," said Aronson.

"Right now, as you know, we're not doing well. Without coming to any conclusions, they want to give the City Council information on our present finances and what we've done over years to keep costs down."

Aronson said he did not want to detail options discussed by the trustees until they make their presentation.

Mayor Peter Torigian said he has heard the rumors and did not want to comment on them until the council hears the presentation.

"There's nothing I could really say now without hearing a specific proposal," he said. "I'm sure if something comes up, the proper people will look it over."

'People want their own apartments – but they want to know that somebody's available in the middle of the night . . .'

– Jamie Seagle, executive director of Rogerson House

12/30/89
BOSTON GLOBE

Area's elderly offered housing with help nearby

By Amy Bermar
SPECIAL TO THE GLOBE

Until she slipped on the floor one Friday night, the 80-year-old widow had never really considered leaving the large Northampton home she'd shared with her husband for nearly 50 years. No one found her until Sunday.

She survived, and moved to a nursing home to recover. The following spring, she – like millions of other aging adults nationwide – decided it was time to make sure help would always be nearby.

Yet throughout Massachusetts, there's been almost no place to go for the healthy elderly people who need extra services.

Now, though, a new generation of housing developments is arising to tap what promises to be an enormous market – more than 200,000 adults over age 60 live in Greater Boston. Gerontologists estimate that 40,000 will seek new homes, with greater services, as they age.

"Nobody wants a room with a shared bath and a kitchen," said Jamie Seagle, executive director of Rogerson House, a former rest home in Jamaica Plain that's being converted to apartments for older adults of moderate means. "People want their own apartments – but they want to know that somebody's available in the middle of the night, and that there's security in the building. And to know that if they need some help, it's available."

Among the new options are rentals in Chelmsford, and condominiums in Lynn; in both, planned amenities range from on-site nursing care to free transportation and planned recreation. In a cooperative development in Northampton, shareholders buy lifetime leases for a downpayment that's refunded to their heirs.

John Zeisel of Building Diagnostics Inc. plans to build a retirement lodge in Chelmsford.

GLOBE STAFF PHOTO / BILL GREENE

Because the elderly say that remaining close to home is a priority, most developers note that they expect to sell at least half of their projects to residents living within a 10-mile area.

"People want to be near their family," said Steven Zieff, who is developing a 598-condominium project in Lynn's Vinnin Square; 125 of the 190 units sold have been purchased by this graying market.

Virtually all of the new projects cater to adults ranging from their mid-50s through their 90s, who are capable of living on their own, and who want to continue their lifestyles. Some, particularly the "life-care" communities, also provide on-site medical care, and may offer housing designed to acommodate extensive nursing.

"People want to retire much more independently," said Don Houghton, president of Northrop Community Inc., a development of 77 independent homes in Northampton that sells residents lifetime leases. A dozen of Northrop's new residents live there only part of the year; they spend the winters in Florida. One of the new year-round residents is the widow who is now selling her home.

As a rule, the developments provide similar services, such as housekeeping, restaurant services with a limited number of free meals, snow removal, and, occasionally, beauty salons, grocery stores or post offices. Most of these services are supported by monthly maintenance fees. Charges can range from $175, in Northampton, to more than $2,000 for the largest units in full-service life-care facilities.

Because these projects are designed with the elderly resident in mind, layouts may be restricted to a single floor, and entryways sometimes include a ramp. Some apartments are also equipped with safety monitors designed to alert administrators or neighbors that there may be a health problem.

Life-care facilities provide the most extensive health care, and the six in the Boston area, with about 1,000 beds among them, far out-number the alternatives. Another 30 centers are either planned or in construction.

But these centers, sometimes known as continuing care retirement communities, target an exclusive market, since they typically require up-front "endowments" of at least $150,000, and sometimes, more than $350,000.

At Northrop, the lifetime leases are intended to preserve residents' equity in their original homes. When they move, or die, they or their estates are reimbursed the entire purchase price, which ranges from $127,000 to $166,000. Approximately 25 percent of its appreciated value is also returned.

In Chelmsford, a "retirement lodge" will cater to renters who probably can't afford substantial entry fees.

"This is for people who make more money than would qualify them for subsidized housing," said John Zeisel of Building Diagnostics Inc., who with his partner, John Sawyer, are the developers and have built a similar project in Johnston, R.I.

The lodge, which Zeisel said has received preliminary zoning approval, would consist of 112 studio, one- and two-bedroom apartments and a 61-unit building of studios, where more extensive medical services would be available.

The monthly rentals are expected to range from $1,000 for an independent studio, with three meals daily, to $1,700 for a studio with nursing and other assistance, as well as meals. No health care is on site. Those who prefer to live alone, but need some personalized help – whether Meals on Wheels, or specialized nursing – could obtain the services, and still live independently.

Because these developments don't offer mortgage financing, a resident's income and assets are often scrutinized by the developer. As a rule, buyers should have assets of about 50 percent more than any purchase requires, according to developers.

12/30/89

E. Globe

tus of the hospital. He added the trustees would like to discuss "the various options available to us at this time."

With the hospital nearly $800,000 in debt, rumors have circulated that the hospital will close. Another rumor has Salem Hospital taking over the complete operation of the Peabody facility, including having authority over, or dissolving, the 15-member J.B. Thomas Hospital Board of Trustees.

Although appointed by the mayor and confirmed by the City Council, the trustees are an autonomous board and run the hospital without interference from the city. Since 1985, the hospital has had a management contract with Salem Hospital, which leaves most of J.B. Thomas' management under the direction of Salem Hospital.

Although the hospital is run by an independent board of trustees, it is still a city department. For years, the city has had to pay the hospital's yearly debt in order to have a balanced budget as required by state law.

J.B. Thomas president Sheldon Aronson, a Salem Hospital employee, downplayed the possibility of the hospital closing, but said some type of takeover by Salem Hospital is one of the options that has been discussed by the trustees.

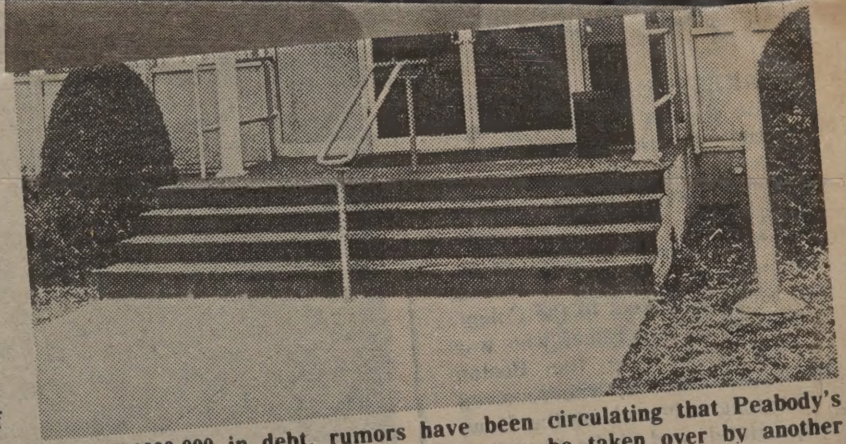
"What the trustees felt they should do since we're coming up to the first of year is give a state of health address as to how the hospital is doing," said Aronson.

"Right now, as you know, we're not doing well. Without coming to any conclusions, they want to give the City Council information on our present finances and what we've done over years to keep costs down."

Aronson said he did not want to detail options discussed by the trustees until they make their presentation.

Mayor Peter Torigian said he has heard the rumors and did not want to comment on them until the council hears the presentation.

"There's nothing I could really say now without hearing a specific proposal," he said. "I'm sure if something comes up, the proper people will look it over."



Nearly $800,000 in debt, rumors have been circulating that Peabody's J.B. Thomas Hospital will either close or be taken over by another institution.

Item file photo

– but they want to know that middle of the night ...'

tor of Rogerson House

arby

planned or in construc-

ers, sometimes known as retirement communities, market, since they typiont "endowments" of at sometimes, more than

e lifetime leases are inresidents' equity in their hen they move, or die, are reimbursed the ene, which ranges from 00. Approximately 25 ciated value is also re-

"retirement lodge" will probably can't afford

who make more mony them for subsidized eisel of Building Diaghis partner, John Saws and have built a simin, R.I.

eisel said has received proval, would consist two-bedroom apartbuilding of studios, e medical services

ls are expected to independent studio, o $1,700 for a studio assistance, as well as on site. Those who eed some personalals on Wheels, or ld obtain the serndently.

developments don't offer mortgage financing, a resident's income and assets are often scrutinized by the developer. As a rule, buyers should have assets of about 50 percent more than any purchase requires, according to developers.

ment le

rsing. e much ghton, p c., a deve Northar eases. A ts live t bend the v year-ro is now se

ments pro usekeeping ted number of free and, occasionally, ores or post offices.

Life-care facilities provide the most extensive health care, and the six in the Boston area, with about 1,000 beds among them, far out-number the alternatives. Another 30